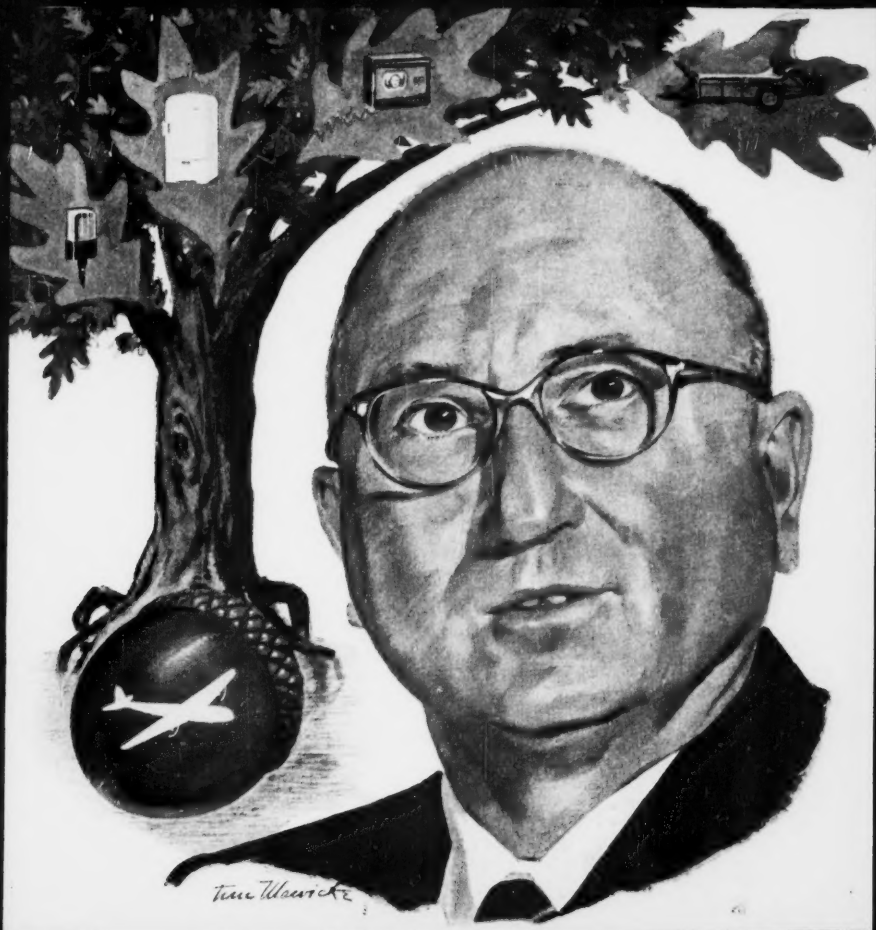
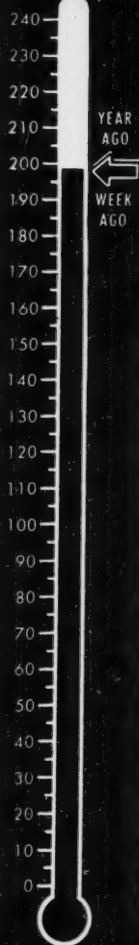


BUSINESS WEEK

MAR. 19, 1949



Raymond C. Cosgrove: Ready for competitive market with Avco's diversified line (page 6)

BUSINESS
WEEK
INDEX

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● ENGINEERED IN PLASTICS BY GENERAL ELECTRIC



Plastics help SPUR sales

● Plastics serve the drinks! This handsome Spur syrup dispenser is made for Canada Dry by General Electric. It incorporates eight plastics parts, and its attractive housing is injection molded of polystyrene.

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~~WOLF!~~
~~WOLF!~~

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Good business means jobs for those who want to work. It's the best defense against the termites who are working to undermine the individual liberties Americans enjoy.

6568

SKF INDUSTRIES, INC. PHILADELPHIA
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Strokes, revolutions, pieces, volumes, lengths . . . or other units of performance and production . . . can be counted by Veeder-Root Mechanical Counters like this new General-Purpose No. 1260. This direct-reading, streamlined counter counts up to 1,000,000 . . . then resets (unless you want to reset it sooner) with one turn of knob. And it's compact, so it can be built into most machines and products, to add utility and marketability.



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To count people, poles, shrubs, blood-corpuses, cars, ticket-buyers . . . or anything that can't be counted mechanically or magnetically . . . count on this No. 1023 Hand Tally that fits both hand and pocket. To count one, press thumb-lever once. When count is complete, turn reset knob, start over from zero. Ends errors from memory-count and pencil tallies.

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BUSINESS WEEK • MARCH 19 • NUMBER 1020

(with which are combined The Annalist and the Magazine of Business) • Published weekly by McGraw-Hill Publishing Company, Inc., James H. McGraw (1860-1948), Founder • Publication Office: 99-129 North Broadway, Albany, N. Y. • Postmaster: If undeliverable, notify publisher on Form 3578-P • Editorial and Executive Offices: 1221 Ave. of the Americas, New York 19 • James H. McGraw, Jr., President; Curtis W. McGraw, Vice-President and Treasurer; Eugene Duffield, Executive Assistant for Publications; Nelson Bond, Director of Advertising; Joseph A. Gerardi, Secretary.

Address correspondence regarding subscriptions to J. E. Blackburn, Jr., Director of Circulation, Business Week, 99-129 N. Broadway, Albany 1, N. Y., or 230 West 42nd St., New York 18. Allow ten days for change of address.

Subscriptions to Business Week are solicited only from management-men in business and industry. Position and company connection must be indicated on subscription orders.

Single copies 25c. Subscription rates—United States and possessions \$6.00 a year, Canada \$7.00 a year, Pan American countries \$10 a year • All other countries \$20 a year • Entered as second class matter Dec. 1, 1936, at the Post Office at Albany, N. Y., under Act of Mar. 3, 1879 • Printed in U. S. A. Copyright 1949 by McGraw-Hill Publishing Co., Inc.—All Rights Reserved.

BUSINESS WEEK • Mar. 19, 1949

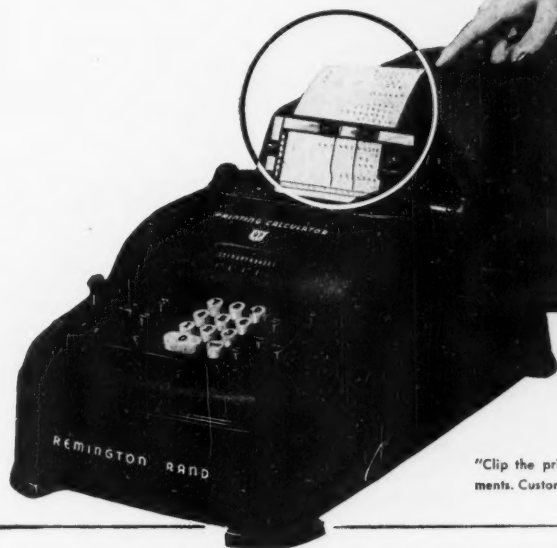
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Executives who consider it part of their job to keep posted on better methods are invited to write for the Cost History brochure, "It Can Be Done."



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AUTOMATIC**

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pieces, formed, drilled,
tapped, milled, and slotted.
(Shown actual size.)

NEW BRITAIN
Automatics

THE NEW BRITAIN MACHINE COMPANY
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THE COVER

Raymond C. Cosgrove, executive vice-president of Avco Mfg. Corp., is having the time of his life. The end of the sellers' market in consumer durable goods has hit the principal lines of his company—and its competitors—with a wallop. Now's the time when Cosgrove's brand of hard work, hard-hitting selling really pays off. You can feel his enthusiasm in his conversation:

"We're getting back to the way we were trained, and I think all the larger companies are happy over it."

• **Fast Mover**—Cosgrove, 53, has been working hard all his life—shooting along with the energy of a V-2 rocket, and just about as fast. He led his class (of 1918) at Carnegie Tech, where he took electrical and mechanical engineering, plus some commercial courses, and "about everything available in math." He got his degree—and varsity letters in baseball and basketball—in 3½ years.

After serving overseas in World War I with the Army Engineers, he went to work for Jones & Laughlin Steel. His bosses couldn't get him out of the place; he worked 14 hours a day (and night), seven days a week—for \$140 a month. He went next to Westinghouse at \$150 a month to start. There Cosgrove made a gradual shift to the sales end.

He joined Crosley Corp. in 1940 as vice-president and general manager. With a prodigious amount of work he changed nearly everything, put the company into the black. When Avco bought Crosley in 1945, it got Cosgrove's zest in the deal.

• **Likes Hard Work**—The secret of Cosgrove's hard work is that he likes every instant of it. He also likes cigars; he keeps two brightly polished brass spittoons beside the big desk in his ornate paneled office at Avco's operating headquarters in Cincinnati. About this office, he once told his distributors: "It's a lot fancier than I expected. But come on up and take a tour through it. See what you can get if you work as hard as I do."

—Complete Avco story starts on page 82. Cover painting by Tran Mawick



HOW **NYLON'S** DURABILITY PAYS A BONUS IN EASIER CLEANING

Plush upholstery has long been used for railway coach seats. Until recently, the only fabric with the necessary durability had the plush type of weave. But now these seats can be covered with *flat woven* upholstery, thanks to the extraordinary strength and toughness of nylon textile fibers.

Upholstery made of Du Pont nylon will wear and wear. It's tough to tear. And the flat weave is less expensive than the plush. Furthermore, it cuts cleaning time, for there is no nap where dirt can imbed itself. Instead of lugging cumbersome vacuum-cleaning equipment into the coach, cleaners can do a quick, thorough job by washing or solvent-cleaning the upholstery. Ordinary travel dirt and grime are easily removed with soap and water.

Colorful nylon upholstery makes pleasant surroundings. It offers cool

sitting comfort. When one railroad polled passengers on their preferences, nylon upholstery was the overwhelming choice.

Upholstery made of nylon is another example of how this versatile fiber is cutting costs in industry.

• • •

Get the facts about Du Pont nylon fibers. You may be interested in a product far removed from upholstery, but nylon could be just what you need to improve a product or process. Besides strength and toughness, nylon fibers offer light weight, elasticity, low moisture absorption and resistance to deterioration by mildew, soil and marine rot, petroleum oils and alkalis.

If you use fibers or fabrics anywhere in your plant—or in your finished product—you'll find it worthwhile to see

what the properties of nylon fibers can do for you.

Write for the interesting booklet "Nylon Textile Fibers in Industry," and tell us your fiber or fabric problems. Address Room 6510-F, Nylon Division, E. I. du Pont de Nemours & Co. (Inc.), Wilmington, Delaware.



BETTER THINGS FOR BETTER LIVING
... THROUGH CHEMISTRY

For nylon... for rayon... for fibers to come... look to Du Pont

YOU CAN BE **SURE**.. IF IT'S
Westinghouse



form slightly in order to...
plastic (plastik), a [L. plasticus, Gr. plastikos]. 1. Formative; as, "plastic Nature." 2. Pert. or appropriate to, characteristic of, or produced by, molding or modeling;—said of sculpture, ceramics, etc.; as, the plastic arts. 3. Capable of being molded or modeled; as clay; hence, impressionable; as, a plastic youth. 4. Of the nature of, or resembling, plastic operation, an operation in plastic surgery.—surgery, surgery concerned with the

Micarta*

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THE MEANING OF 'PLASTICS'.**

Micarta is a *tough, workable* material with qualities which bear little resemblance to old conceptions about "plastics". Micarta is an industrial laminate—geared to today's requirements. It's used in hundreds of applications . . . such as auto timing gears, marine bearings, refrigerator inner door panels.

Here are some of its qualities:

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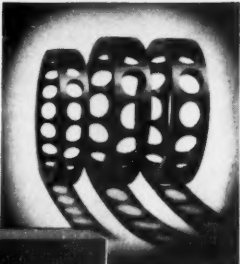
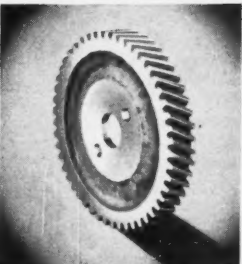
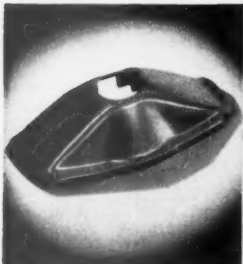
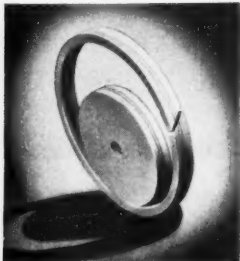
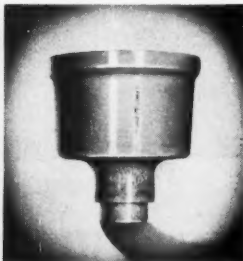
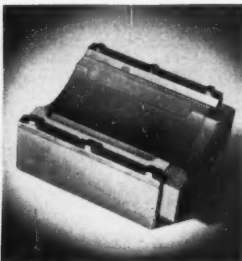
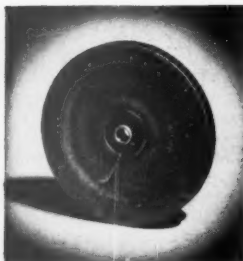
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*Decorative Micarta is sold exclusively by U. S. Plywood Corporation.



BUSINESS OUTLOOK

BUSINESS WEEK

MARCH 19, 1949



Business sentiment, on the mend earlier this month, has turned uncertain again. Lower commodity prices delay new orders (page 104).

Declining order backlogs have caused a new rash of layoffs and reductions in hours to spread the work. Marginal plants are closing.

Price cuts are getting headlines. One day's grist: Sears, Roebuck cuts auto batteries; fuel-oil price war in New York; lower copper-scrap prices.

Lower prices mean different things to different people.

Cuts on raw materials mean lower profits to many producers. Yet, to processors, those very cuts mean lower costs—and a chance to woo the consumer by cutting prices on end products (page 19).

But there is still another angle. Inventories at the end of January were the highest on record. Some people will take losses before this \$54-billion of business inventories is slimmed down.

Battery manufacturers had more lead on hand than they were admitting earlier. The cuts in the lead price brought that to light.

One lead producer, a few days ago, got a phone call from a battery manufacturer to whom he sells. Cleaning up the more colorful language, the complaint went something like this:

"What do you mean by cutting lead prices? Just think of the loss I'm going to have to take on the stuff you sold me."

Bear in mind that, a month earlier, he couldn't get enough lead.

Retailers worked down their inventories in January, which is as it should be after Christmas. But manufacturers and wholesalers didn't.

Retail inventories ended January about \$300-million under December; they were down around \$2-billion from November.

Manufacturers' stocks went up \$230-million in January. That's on top of a \$540-million rise in December. The gain in physical inventory may be even bigger, because those were months of declining prices.

Wholesalers added about \$225-million to their stocks in January. For the 12 months, their gain was nearly \$700-million.

One reason inventories have risen at the wholesale and manufacturing levels: Retailers have been trying to play it safe.

Reflecting this, wholesalers' sales in January declined more than seasonally from December, says the Commerce Dept.

Declining volume has borne out retailers' caution.

Store volume was ahead of 1948 through most of January—during the sales. Ever since, it has been running below a year ago.

Department-store dollar volume for the country was down 6% in the Mar. 5 week. The next, New York was down 11%, Philadelphia 20%.

Of course, Easter doesn't come until Apr. 17 this year; it fell on Mar. 28 last year. Thus, the buying season was earlier in 1948. That may be the whole explanation for this year's lag.

However, pre-Easter sales still have a good deal of making-up to do.

Output in many industries has slid far enough to cut into profits. Thus

BUSINESS OUTLOOK (Continued)

BUSINESS WEEK
MARCH 19, 1949

Mack Truck, with sales of about \$19½-million in the fourth quarter (a good half year's volume in many prewar years), reports a deficit. General Shoe's 10% drop in quarterly sales brought a 45% decline in net earnings.

But many companies are scheduling production cuts of only a few percentage points. Some may do even better than they did at capacity.

Up to a point, more volume means better margins. It spreads overhead. But, beyond that point, added volume is uneconomical.

Marginal equipment is used. Overtime pay is required. Bottlenecks in one department can close the whole production line. Premium prices for materials may be necessary to keep all workers busy.

A small cut in output may end some or all of those strains. If so, costs can be cut and, perhaps, sales prices lowered.

•
Consumers won't need to cut their spending deeply any time soon. The income figures prove that.

Personal income in February is put at \$220.8-billion (seasonally adjusted annual rate) by the Commerce Dept. That's virtually unchanged from January's \$221-billion.

Nevertheless, Commerce notes that wage and salary payments declined in most industries due to layoffs.

High agricultural marketings buoyed the total.

•
Unemployment compensation helps maintain the purchasing power of factory, construction, and railroad workers laid off in a period such as this.

The Census Bureau's February count of unemployment shows that the average person had been looking for work only 8½ weeks; the average was 7¾ weeks in January. Both figures are considered low.

Nevertheless, workers nearing the end of their compensation periods are steadily becoming more numerous.

For the final quarter of 1948, an average of 250,000 had been looking for work 15 weeks or more. In January, the number had risen to 310,000; and in February, it was up to 430,000.

•
Wage boosts this year will swell income much less than in 1948.

Corporations can't afford to give as much. Besides, part of what employers do grant will go into benefits—not pay envelopes.

Equally important, weekly wages will average a little less; many employees will not work a full 40-hour week. Fewer still will draw overtime.

Whether personal income will top the January peak any time soon is hard to tell. It depends more on hours worked than on hourly rates.

•
Nonagricultural income will have to rise later in the year if total national income is not to fall. Even very large crops of supported prices can hardly keep farm income up to 1948 levels in the months ahead.

•
Strangely, the public appetite for meat seems to have dulled.

Supplies of beef, pork, veal, and lamb for six weeks have averaged less than 290-million lb. a week. Last November—when prices were a good bit higher than they are now—the average was about 330-million.

Ever since the war, shrinking supplies have sent prices soaring. This time, the desire—or purchasing power—doesn't seem to be there.

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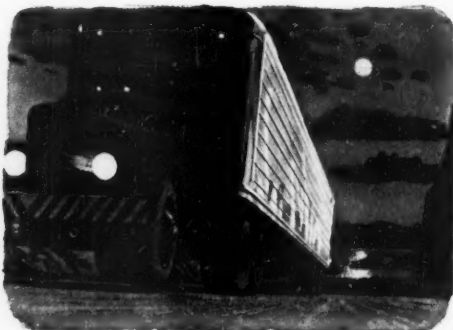
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Permanente Metals

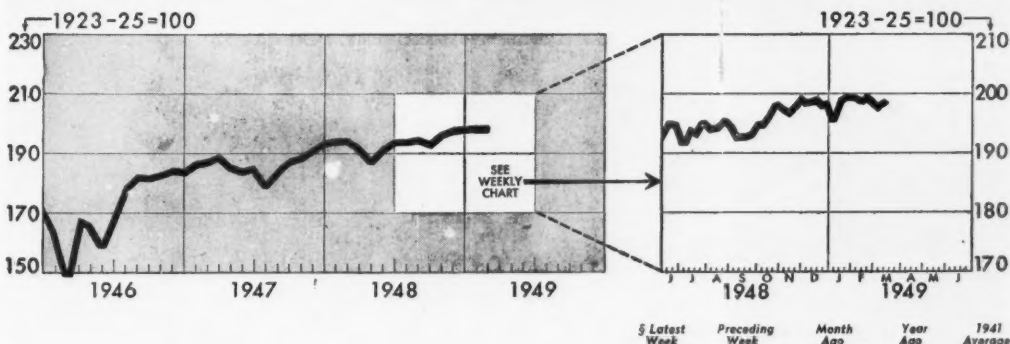
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Kaiser Aluminum

PERMANENTE PRODUCTS COMPANY, 305 KAISER BUILDING, OAKLAND 12, CALIF.

A major producer in a growing industry

FIGURES OF THE WEEK



Business Week Index (above) *198.5 †199.0 200.0 198.5 162.2

PRODUCTION

Steel ingot operations (% of capacity)	102.0	101.4	100.0	97.5	97.3
Production of automobiles and trucks	113,903	†118,267	108,911	114,689	98,236
Engineering const. awards (Eng. News-Rec. 4-week daily av. in thousands)	\$22,002	\$22,842	\$29,151	\$21,692	\$19,433
Electric power output (million kilowatt-hours)	5,531	5,552	5,722	5,285	3,130
Crude oil (daily average, 1,000 bbls.)	5,123	†5,187	5,330	5,265	3,842
Bituminous coal (daily average, 1,000 tons)	1,722	1,812	1,898	2,197	1,685

TRADE

Miscellaneous and L.C.L. carloadings (daily average, 1,000 cars)	74	73	70	81	86
All other carloadings (daily average, 1,000 cars)	43	43	43	51	52
Money in circulation (millions)	\$27,577	\$27,557	\$27,557	\$28,006	\$9,613
Department store sales (change from same week of preceding year)	-9%	-7%	-4%	+5%	+17%
Business failures (Dun & Bradstreet, number)	179	185	192	102	228

PRICES (Average for the week)

Cost of Living (U. S. Bureau of Labor Statistics, 1935-39 = 100), January	170.9				
Spot commodity index (Moody's, Dec. 31, 1931=100)	371.8	376.0	374.1	406.8	198.1
Industrial raw materials (U. S. Bureau of Labor Statistics, Aug., 1939=100)	262.8	†265.9	271.0	267.7	138.5
Domestic farm products (U. S. Bureau of Labor Statistics, Aug., 1939=100)	296.0	298.3	285.7	370.7	146.6
Finished steel composite (Steel, ton)	\$97.77	\$97.77	\$97.77	\$81.14	\$56.73
Scrap steel composite (Iron Age, ton)	\$35.58	\$36.25	\$37.58	\$39.75	\$19.48
Copper (electrolytic, Connecticut Valley, lb.)	23.500¢	23.500¢	23.500¢	21.500¢	12.022¢
Wheat (Kansas City, bu.)	\$2.25	\$2.27	\$2.14	\$2.43	\$0.99
Sugar (raw, delivered New York, lb.)	5.68¢	†5.74¢	5.64¢	5.38¢	3.38¢
Cotton (middling, ten designated markets, lb.)	32.56¢	32.70¢	32.49¢	34.01¢	13.94¢
Wool tops (New York, lb.)	\$1.572	\$1.601	\$1.644	\$1.817	\$1.281
Rubber (ribbed smoked sheets, New York, lb.)	19.10¢	18.93¢	18.28¢	19.70¢	22.16¢

FINANCE

90 stocks, price index (Standard & Poor's Corp.)	119.0	117.5	116.1	111.1	78.0
Medium grade corporate bond yield (30 Baa issues, Moody's)	3.46%	3.47%	3.45%	3.53%	4.33%
High grade corporate bond yield (30 Aaa issues, Moody's)	2.71%	2.71%	2.71%	2.84%	2.77%
Call loans renewal rate, N. Y. Stock Exchange (daily average)	1½-1¾%	1½-1¾%	1½-1¾%	1½%	1.00%
Prime commercial paper, 4-to-6 months, N. Y. City (prevailing rate)	1½-1¾%	1½-1¾%	1½-1¾%	1½%	1-1½%

BANKING (Millions of dollars)

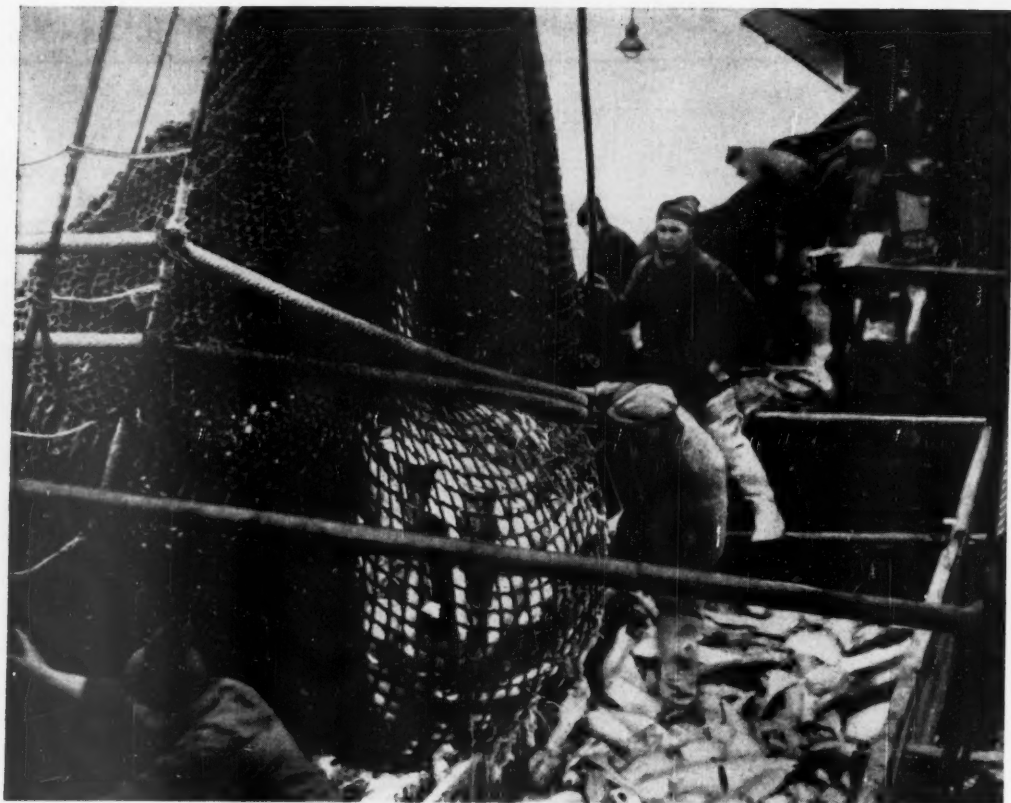
Demand deposits adjusted, reporting member banks	46,072	46,112	46,553	47,581	††27,777
Total loans and investments, reporting member banks	62,046	61,976	62,170	64,128	††32,309
Commercial and agricultural loans, reporting member banks	15,106	15,147	15,294	14,594	††6,963
Securities loans, reporting member banks	1,552	1,577	1,818	1,727	††1,038
U. S. gov't and gov't guaranteed obligations held, reporting member banks	33,206	33,069	33,016	36,193	††15,999
Other securities held, reporting member banks	4,289	4,290	4,204	4,281	††4,303
Excess reserves, all member banks	600	750	570	977	5,290
Total federal reserve credit outstanding	22,003	22,422	22,836	21,326	2,265

*Preliminary, week ended March 12th.

†Revised.

††Estimate (BW—Jul. 12 '47, p.16)

‡Date for "Latest Week" on each series on request.



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WASHINGTON OUTLOOK



JOHN L. LEWIS upset the applecart this week: He dashed all hopes that the new labor law can be worked out in an atmosphere of labor peace.

Obviously, the mine workers' two-week holiday works against Truman's chances for getting the kind of labor law he wants. The one thing Thomas and Lesinski, Chairmen of the Senate and House Labor committees, had to have to give Truman's bill any chance was quiet on the labor front.

But just as significant is this: Lewis' action complicates the efforts of G.O.P. Senators Ives and Morse to win a bipartisan majority over to a middle-of-the-road compromise.

A Republican Senate group has been working for days and days—behind the filibuster—to hammer out agreement on the five or six really controversial Taft-Hartley issues.

Ives and Sen. Taft are writing separate substitutes for Truman's bill. Morse is drafting a batch of individual amendments spelling out his views.

The balance in the Senate is so delicate that where these three and, say, Donnell (Republican member of the Senate Labor Committee) come together, they are sure to carry their point. Where they part, Republican control slips away.

Lewis' strike has sharpened some of the differences within this G.O.P. group. Take the issue of national-emergency injunctions:

Ives and Morse want to drop Taft-Hartley's 80-day injunction; instead, they would have emergency boards (similar to those in the Railway Labor Act) handle national-welfare disputes; they would require the President to come to Congress when board findings were rejected.

Donnell has been arguing for retention of the presidential injunction. Now, the mine shutdown has made him adamant on the subject.

The impact of Lewis' action isn't so direct on the other big issues in the forthcoming labor debate.

But he has made congressmen mad—and it's showing.

Take a look at the shades of opinion among Taft, Ives, and Morse on some of the provisions sure to be hotly debated on the Senate floor next month:

Closed shop—

Ives' bill lifts the Taft-Hartley ban, but permits management to refuse to bargain on the issue.

Morse, too, would lift the ban. Also, he would let unions expel and have dismissed from their jobs

subversives and wildcat strikers. His point: Give unions power to discipline their men.

Taft insists you must regulate the closed shop if you permit it, that the easier way is to ban it.

Foremen—

Taft tends toward retention of the T-H provision giving foremen no recognition. Morse would let them organize in independent unions. Ives wants to distinguish between management's supervisors and straw bosses, let only the latter join a union.

Economic strikers—

All three senators agree on reversing the NLRB ruling that strikers seeking better wages and working conditions cannot vote in a new representation election.

Plant guards—

Ives and Morse, at least, would let them join any union. They feel the day when guards were national-security agents is over, that guards now are simply employees protecting property.

Boycott and jurisdictional injunctions—

Ives and Morse would take court injunctions out of industrial disputes, go back to the Norris-LaGuardia act, which bans their use. Taft proposes modifying the T-H requirement that unions be enjoined; he would give the government discretionary authority to act.

AS FOR LEWIS' STRIKE, his reasons for it are phony.

He calls it a "memorial" walkout, and blames Director James Boyd of the Bureau of Mines for all the miners killed and injured in 1948.

The facts: The federal government has no authority to enforce mine safety. State governments and U.M.W. worker committees at each mine do have.

Lewis labels Boyd incompetent for the job because he has never been in the coal-mining industry—as if the Bureau of Mines were primarily a coal agency.

The facts: The bureau is primarily a nonferrous-metal-mining agency. Only one-sixth of its budget is earmarked for coal activities.

The primary effect of Lewis' two-week shutdown will be to reduce the nation's stockpile of coal above ground, put Lewis in a better bargaining position in contract talks with operators next June (page 114).

And far from hurting Boyd, Lewis simply guaranteed his confirmation by the Senate. Boyd's appointment, originally made more than a year ago,

WASHINGTON OUTLOOK (Continued)

was nonpolitical; he came to Washington from the post of Dean of the Colorado School of Mines.

•
THE VOLUME OF STEEL flowing to producers under government allocation programs will drop sharply in June.

How big the cut will be isn't certain yet. It might run as much as one-fourth of the present 600,000-ton-a-month total. You will get the exact figures in a week or two, when the Commerce Dept. announces allocations for June delivery.

All of the 17 steel allocation schedules except five of the smaller ones are being slashed. (The cast-iron allocation for housing items, however, is not being reduced.)

Reason: Users of items on the allocation list aren't buying as fast as the allocation programs allow; manufacturers' inventories of steel are building up.

Railroad cars are an example: The allocation program guarantees builders enough steel to turn out 10,000 cars monthly. But the backlog of railroad orders is drying up, and new orders are down to a trickle. So builders are planning to slow output to keep going longer.

•
More steel on the free market will result from the cut in allocations, of course.

But, beyond that, the action is bringing on another headache for Truman.

Truman's ambitious production-expansion program—the Spence bill with its mandatory allocations, priorities, and government goals for more plant capacity—will be up for hearings in Congress soon.

How do you sell such a scheme to congressmen when steel users aren't taking all that has been handed to them?

•
THE PRICE SPREAD between raw materials and consumer products is in for a congressional going over, beginning next week.

Chairman Maybank's Senate Banking Committee will be the sounding board. Hearings are expected to go on at least through April.

Secretary of Agriculture Brannan is the first witness. He will be asked such questions as: With wheat down more than one-third, why haven't bread prices come down?

After Brannan, Maybank plans to call the roll of Truman's Cabinet, plus economic advisers Keyserling and Clark. The committee also will hear

such businessmen as Ben Fairless and Clarence Francis, plus spokesmen from labor and consumers.

Maybank sees the hearings as developing the grubby details of the current economic outlook roughed out last month on a lofty level before Sen. O'Mahoney's economic committee. Also, the hearings will be the curtain-raiser for committee consideration of the Spence bill.

•
ABOLISH THE CAPITAL-GAINS-TAX—that's suggested by Rep. Wright Patman—of all people.

And he doesn't mean that capital gains should be taxed as personal income. He would give the investor a windfall—let him keep all appreciation in value.

Patman's argument: The capital-gains-tax is bringing in only about \$400-million in revenue. And it does hinder the flow of investment money.

At the moment, Patman is just trial-ballooning his idea. He hasn't made any impression yet on Rep. Doughton and Sen. George, chairmen of the tax committees.

•
CONCERN OVER AMERICAN LEGION domination of the Pentagon is cropping up in Congress—even before ex-Legion Commander Louis Johnson takes over as Secretary of Defense.

It all stems from rumors going around that Johnson plans to put Paul Griffiths into the job of Under Secretary of Defense that Congress is creating. Griffiths, too, is an ex-Legion commander, and long-time lobbyist for the Legion.

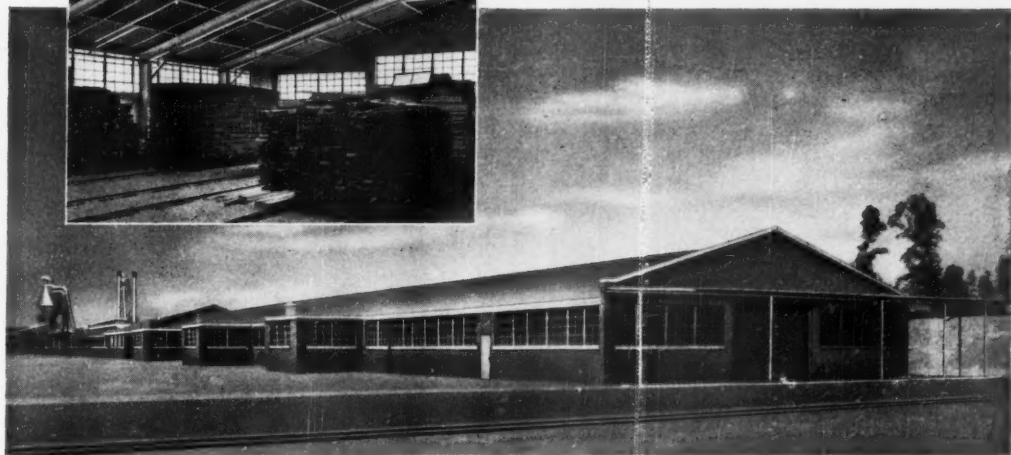
Democrats on the House Armed Services Committee are asking Truman to promise not to appoint Griffiths. Also, they are urging their Senate colleagues to hold up on the House-approved under secretaryship bill until Truman promises.

• Second World Bank loan to supplement Marshall Plan financing for European recovery will go to Holland. Amount: \$15-million, to expand and modernize cement, textile, and chemical industries. Belgium got \$16-million three weeks ago. . . .

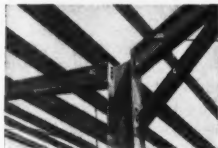
• Bureau of Labor Statistics has a handbook coming out forecasting labor supply in 250 technical and professional skills. Example: The shortage of engineers will turn into a glut when the current crop of students graduates. . . .

• Navy admirals are boasting they will have the snorkle submarine menace whipped this year. They are installing equipment they say is a match even for the U. S. guppy, an improvement on the German-type sub.

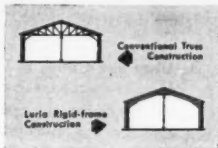
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Industry Decides That Price Boosts Are Over

Some manufacturers are cutting; others say they can't get costs down for that. Low-end products are one way out.

Industry has finally reached the turning point in prices.

You can just about rule out the possibility of any major boosts in the prices of manufactured goods in 1949. In many lines you can look for important cuts. The lower price tags General Electric this week put on refrigerators, home freezers, and electric ranges are a sample.

• **Ceiling**—A BUSINESS WEEK survey of manufacturers all over the country last week shows that they agree almost to a man on one thing: Prices have hit their ceiling. Any increases in costs this year—including fourth-round wage boosts, if they're moderate—will have to be absorbed by the manufacturers. They can't be passed along to consumers any more.

Even the high-riding automobile industry is now keeping an uneasy eye on the consumer's purse. General Motors took advantage of its cost-of-living wage cut to shave prices on its cars, thus getting a competitive jump on the rest of the industry (BW—Mar. 5'49, p19). And John Bugas, Ford personnel director, wrote bluntly to the United Auto Workers: "There is only one other way to pay for a pension plan—for our customers to pay for it in higher car prices. . . . We are convinced that too many of them would not stand for this."

A midwestern sporting goods manufacturer says much the same thing: "We couldn't raise prices now even if justified. The public would quit buying."

• **Cuts?**—There is considerably less agreement among businessmen on the question of whether or not prices will come down this year. Some predict glumly that they will have to make deep cuts to keep their goods moving. But if the majority share this worry, they are keeping it to themselves. They argue that there can't be price cuts until costs come down. And they aren't optimistic about costs.

International Harvester, for instance, has just sent a long letter signed by president John L. McCaffrey to 8,000 general-line dealers. The big elements in costs, says McCaffrey, are labor, materials, taxes, and transportation. All of these threaten to go up rather than

come down. Hence, he concludes: "We are doing everything we can to reduce those costs, but frankly, the odds are against us right now."

• **Savings**—But General Electric found that it could make cost savings of one sort or another—and providentially right at the time of the return of hot competition to the heavy-appliance field. It trimmed an estimated \$40-million off the retail selling prices of various products. Typical cuts were \$14 off a refrigerator selling for \$259, \$20 off a range selling for \$199.95, \$10 off a range listed at \$239.95.

Announcing the change, president Charles E. Wilson said: "These price reductions are in keeping with the company's continuing policy of passing on to the consumer the cost economies made possible by expanded production. . . . In addition, we are giving recognition to the fact that a special effort will be required to maintain present production and employment."

The day after G. E.'s cut, Sears, Roebuck knocked 8% off the price of its household refrigerators. This was the second drop for Sears. Last December it trimmed 2% to 10%. This week, Kelvinator also came through with a cut on refrigerators averaging 5%.

• **Redesign**—But G. E. isn't depending on moderate price cuts alone to keep its unit sales up. It is bringing out new models of some of its main products with fewer doo-dads—and substantially lower prices. These models are engineered for maximum cost saving.

The new G. E. automatic clothes washer, for instance, will sell for \$299.50, or \$70 less than the model that has been a big item in postwar sales up now. A new table model television receiver with a 10-in. tube will sell for \$239, against \$325 for the cheapest set with the same size tube in the old line.

• **Low-End Goods**—The revival of low-end goods has likewise proved a lifesaver to the textile industry in the past year or so. This has been one answer that the mills have found to the demand for lower prices. In many cases, this switch to low-end fabrics conceals price cuts bigger than those showing on the tags. The quality of the new product is low-



FORD'S Bugas, on what a price boost would mean: "We are convinced that too many (customers) would not stand for this"



INTERNATIONAL HARVESTER'S McCaffrey: "We are doing everything we can to reduce costs, but the odds are against us"



G.E.'s Wilson, on this week's price cuts: "A special effort will be required to maintain production and employment"

ered—but it's not cut so much as the price.

Where the switch to low-end items isn't possible, some manufacturers think they will have to go ahead and slash prices anyhow. As a midwestern paint executive says: "At present wage rates and price levels for all raw materials, it doesn't seem possible to make a justifiable reduction in the price of paint—but that doesn't mean there won't be any."

• **Below Cost**—A few companies complain that they already are losing money on all or part of their production. This is especially true in industries where many small operators have come in since the end of the war. These marginal firms have been shaving prices and the old-timers have to meet their prices.

Here is the unhappy story of a Rhode Island jewelry manufacturer: "I figured a set of earrings the other day that one of these small outfits was manufacturing. I really sharpened pencils and cut everything to the bone. The best I could do was to make one earring for the price he was getting for two. There's no way out of that one—excepting to find girls with only one ear."

• **Tools, Too**—Until recently, the luxury lines—such as jewelry—were the

principal sufferers in this respect. But lately competition has been driving prices down in a much wider variety of industries.

Tool manufacturers complain bitterly of the prices set by the low-overhead "alley shops." And the makers of some kinds of plant equipment—blowers and fans, for example—say they are doing a good part of their business on a loss basis to meet competition.

• **A Help**—Of course, as price cuts spread, they help other lines to bring down their costs. And that leaves elbow room for them to make price cuts. When the Chicago Purchasing Agents Assn. surveyed its membership in February, one-fourth of those reporting said they were getting lower prices on the principal items they buy.

Steel users also will find that the end of the gray market—and the tapering off of expensive conversion deals—mean lower costs. One reason that G. E.'s Wilson gave for his latest cuts was "the additional cost economies which we expect to come later in the year when steel sheet, which is a substantial item of cost in our products, will be in freer supply. We expect then to save the excessively high costs now involved in converting other steel to sheets."

Ford Transmission

Lincoln gets Hydra-Matic under purchase license from G.M. Deal may mean G.M. is turning to torque converters.

Ford Motor Co. now has an automatic transmission for its Lincoln cars, presumably the 1950 models. To get it, Ford went to its sternest competitor, General Motors Corp. A licensing contract will allow Ford to buy as many G.M. Hydra-Matic transmissions—used in Olds, Cadillacs, and Pontiacs—as it wants.

• **Competitive Spot**—Ford was up against a tough situation. In Cadillacs, the topmost seller in the high-priced field, Hydra-Matics have become practically standard equipment. Packard has developed an automatic transmission of its own for 1950 models (BW—Jan. 12'48, p40). But Lincoln had none.

In this fix, it isn't surprising that Ford should go for Hydra-Matic. Its engineering staff is headed up by H. T. Youngren, vice-president. Youngren had a big hand in the development of the Hydra-Matic for Olds (BW—Oct. 12'46, p21).

• **Torque for G.M.?**—Some circles say the Ford deal means just this: G.M. is turning to the torque converter and away from the Hydra-Matic. Their argument: G.M. would never have made its better bet available to Ford.

(The Hydra-Matic transmission is a fluid coupling that transmits engine power to gears that are shifted automatically as change in engine load requires change in torque (turning force). The torque converter (Buick's Dynaflo) is a fluid coupling that works with vaned wheels, or "reaction" members, instead of gears. These members automatically vary the output of torque to meet engine-load requirements (BW—Jan. 17'48, p21).

• **For Chevrolets, Too**—To back up this view, there's the trade understanding that the 1950 Chevrolet is due to get an automatic transmission of the converter type. Limited output had kept costs too high for earlier installations on Chevrolet. But this week Buick announced it had built 125,000 Dynaflo's in their first year, and was now producing at a rate of nearly 1,100 a day.

G. M. technicians have still a third transmission up their research sleeve. It may come out by 1951, perhaps sooner.

• **Ford Keeps On**—The Hydra-Matic deal will hardly halt Ford research in transmissions. Borg-Warner Corp., who has been doing development work for Ford, appears likely to continue such programs.



Business Lobbyist Honored—by Legislators

The man bit the dog in the Utah State Senate last week. Well, almost. William Allison (left) was about to retire after 25 years as chief lobbyist for the Utah mining industry. The state senators passed a resolution praising him for "helpful service ren-

dered," gave him a gold wrist watch—and gave him the title, "Lobbyist Emeritus," with the run of the Senate floor for life. Just two weeks before this ceremony honoring Allison, the Utah Senate had two lobbyists thrown bodily off the floor.



SPONSOR: Rep. Wright Patman leads a congressional group that is . . .

Plugging Retained-Profits Tax

That old bugbear of the New Deal days is being talked up again as a source of new federal revenue. Sponsors think business might prefer it to a straight hike in corporate income-tax rates.

The undistributed-profits tax has reared its ugly head again. Rep. Wright Patman announced last week that he is putting together a bill to put a tax on all corporate earnings not paid out in the form of dividends.

Patman and the other advocates of the tax, including former Federal Reserve Board Chairman Marriner Eccles, think business won't find the levy so unattractive as the similar tax that was in effect in 1936 and 1937.

Reason: They see the tax as an alternative to a boost in the corporate income tax, probably to 50% from the current 38%. And they think that corporations would prefer the undistributed-profits tax, with income-tax rates left where they are, than to face an increase in the corporate-income tax.

• **Blow to Capital Expansion**—No matter how much frosting they put on it, Administration tax planners will find it hard to get business to swallow this particular piece of cake. For one thing, such a tax would knock the props from under the huge capital-expansion program, much of which is to be financed out of current earnings.

But backers of the tax say that, when all the appropriation bills are passed, some new taxes will be needed to avoid deficit financing. And they think many

businessmen will prefer this tax to the alternatives.

• **1936 Law**—Back in 1936, in the heyday of the New Deal, Congress passed the undistributed-profits tax that businessmen remember so bitterly. It designed the law to make taxes on corporate profits as progressive as those on individual income. In addition, the law was supposed to plug up a loophole that was costing the Treasury billions in revenue.

Then, as now, corporations paid a much lower income-tax rate than top-bracket individuals. As long as a business paid out its profits to stockholders, the Treasury was satisfied; the government was getting its full share in taxes.

On earnings that were not paid out as dividends, however, the government lost the equivalent of the personal income taxes that would have been paid. Yet, the Treasury argued, the individual stockholder benefited just as much as he would have through dividend payments—because the value of his company had been increased by an equal amount.

• **Left Unsaid**—What the Treasury didn't say was how the stockholder could ever realize that benefit without paying the tax. If the retained profits were paid out as dividends in a later year, they would be subject to tax then.

Of course, the stock market could recognize the increase in book value of the stock by placing a higher market value on it. In that case, the stockholder could realize the income by selling his stock, and paying the lower capital-gains tax. But the stock market doesn't always react that way—look at today's market for a perfect example.

Apart from the revenue loss, the Treasury leveled another blast at the pre-1936 system: Stockholders in corporations that passed out the bulk of their income paid a much bigger tax, per dollar of profits, than did stockholders of businesses that held onto earnings.

• **Graduated Rates**—The 1936 act called for a graduated surtax on adjusted net income still undistributed at the end of a taxable year. "Adjusted net income" was defined pretty much as it is today—net taxable income less normal tax and interest from certain government obligations. Deductions were allowed for taxable dividends paid and for amounts subject to contracts restricting dividends.

Here are the 1936 surtax rates for each successive portion of undistributed income:

Percent of adjusted net income retained	Tax rate
Up to 10%	7%
10%-20%	12%
20%-40%	17%
40%-60%	22%
Over 60%	27%

Treasury experts estimate that this undistributed-profits tax resulted in a 35% increase in dividend payments in both 1936 and 1937, the two years the tax was in effect. Stockholders got about \$1.1-billion more each year than they would otherwise have received.

• **Drawbacks**—But the law had several uneconomic effects:

(1) Small companies, which were plowing back a relatively larger proportion of earnings than the big corporations, were forced to distribute more profits—at the expense of normal growth.

(2) The surtax stimulated greater outlays for advertising, selling, and executive bonuses—pretty much as the excess-profits tax did during the recent war.

(3) The working capital of many corporations—dangerously depleted by the depression—was never allowed to recover fully; it was even harder to build up reserves for the proverbial rainy day.

(4) Arbitrary limitation of the accounting period to one year prevented a balancing of profits and losses over the span of even a single business cycle; thus, a company forced to pay out profits in good years had nothing to fall back on in bad.

In 1938, the storm of protest raised by business over the operation of the

undistributed-profits tax led to its repeal. But its appeal seems never to have died.

• **Eccles' Ideas**—Last January, Eccles suggested that resurrection of the tax might solve several current problems at one fell swoop. He saw them this way:

(1) Tax avoidance through retention of earnings could be halted; stockholders would no longer escape double taxation to the extent that they let corporations do their saving.

(2) Equity capital would flow into the hands of stockholders, who would then have the option either of reinvesting in the dividend-paying business or of taking a flyer in a new venture. But all would reinvest and, as a result, the birth and growth of new business would be stimulated. (There's one flaw in this argument: Stockholders don't have to invest dividends in anything; they can spend it, or bury it.)

(3) Revenue of as much as \$2-billion could be raised—directly if a corporation elected to retain profits and pay the tax, or indirectly from dividend recipients in the form of personal income taxes.

• **Sec. 102 Would Die**—Sponsors of the tax see one other feature, which they think will appeal to businessmen: It would replace Sec. 102 of the present tax law. That's the section that puts a penalty tax on "unreasonable accumulations of earnings." But since it leaves the question of what is "unreasonable" up to the Treasury and the courts, businessmen can never tell exactly where they stand.

The C.I.O. promptly endorsed Eccles' proposal. And tax experts like Randolph Paul—who left the Treasury to go into lucrative corporate-tax practice—think the scheme could be made workable.

• **Five Versions**—As yet, Patman hasn't worked out the specifics of his bill. When he gets down to cases, he'll have five versions to choose from—all somewhat akin to the Eccles proposal. The various editions all have one thing in common: Their sponsors think they avoid the harsh, uneconomic effects that caused the repeal of the 1936-37 scheme.

Here are the five variants of the proposal that are being discussed in Washington today:

The **certificate plan** does not necessarily involve any actual distribution of profits; it would require merely that any corporation retaining earnings give each stockholder a certificate noting his share of the profits retained. The stockholder would then pay personal-income tax on the certificate's face value.

The **penalty plan** would put a prohibitive tax on undistributed earnings; rather than shell out to the government, the company would distribute profits to stockholders.

The **compensatory plan** would hit the company for the net amount of tax the stockholder saves through retention (in other words, by letting the company save for him). The problem of administration, however, could prove to be well-nigh insurmountable.

The **Eccles, or tax-credit, plan** would grant the corporation a deduction from adjusted net income equal to the amount of earnings paid out as dividends. Eccles, however, would first boost the normal corporate rate to as high as 50%.

The **extra-incentive plan** would allow for deduction of that part of corporate profits invested in specified types of business expansion—as well as deductions for dividends.

• **Sales Talk**—Their sponsors swear that none of the new versions will lead to crippling consequences. Those who like Eccles' proposal are going to use this kind of selling talk to try to put the bill over:

Corporations are in for a boost in taxes of about \$2-billion. This means a fairly stiff hike in the corporate-tax rates—to a top of about 45% or 50%. But if the hike comes in the form of an undistributed-profits surtax, business has a "can-win, but can't-lose" option; it can pay the higher rate in the form of a penalty—or it can pay out earnings and let the stockholder pay personal income taxes.

In this way, at least, they say, the stockholder has a chance to come out ahead.

Point 4 Pattern

Report on Brazil gives a model for other world-development programs. It outlines what must be done to attract capital.

The State Dept. has about decided on the technique it will use to get President Truman's world-development program going in Latin America.

The joint Brazil-U.S. Technical Commission provides the model—in the report it put out last week on Brazil's development needs.

• **Good Job**—The commission was under the joint chairmanship of Dr. Octavio Gouvea de Bulhoes, a top official in the Brazilian Ministry of Finance, and John Abbink, former chairman of McGraw-Hill International Corp. The job done by these two men, and the technical teams from both countries, looks good to U.S. government officials and American businessmen—so good that similar joint studies will soon be launched in other Latin American countries.

The ground covered by the commis-

sion includes: Brazil's foreign exchange position; internal investment and tax problems; the balance of agriculture and industry; development of power, transport, and mining.

• **Foreign Investments**—But what will interest U.S. businessmen most are the commission's recommendations on foreign investment in Brazil. If the Brazilian and U.S. governments translate the proposals into action, the way would be clear for a large movement of private American capital into Brazil. Then the pattern might be repeated in other undeveloped countries under Truman's inaugural-address Point 4 (BW-Jan. 29 '49, p.19).

On the investment question, the commission started with the calculation that Brazil will have to meet about one-third of its development needs with foreign capital. It will have to have this money not only to finance imports but also to bring in industrial skills. Where private U.S. capital is needed most of all is in industry and mining.

• **Four Musts**—But the commission points out bluntly that Brazil will never get the capital it needs from the U.S. unless several things happen:

(1) Brazil must clarify its laws covering remittances of profits and transfers of capital.

(2) Both the U.S. and Brazilian governments must offer guarantees to U.S. private investors assuring the transfer of investments from cruzeiros into dollars. (These guarantees would be backed up with an investment treaty.)

(3) The U.S. must cut taxes on income derived from under-developed countries like Brazil. (Along with this would go a tax convention that would eliminate double taxation of estates and income.)

(4) Brazil must call a halt to the lag in its payments for imports from the U.S.

• **Limitations**—What the report doesn't say is that any investment guarantees that Brazil offers are likely to apply only to essential industries. For example, an American investor who wants to make and sell soft drinks in Brazil wouldn't be covered. All he could hope for would be that, in time, U.S. investments in essential industries would give Brazil enough dollars to permit a loosening up of exchange restrictions.

Nor does the commission propose any solution to the problem of U.S. investment in Brazilian oil development. Legislation now before the Brazilian Congress would keep all distribution of Brazil oil in domestic hands. And that amounts to an exclusion of U.S. oil companies. These companies, however, are hoping that unofficial talks between U.S. and Brazilian commission members may have cleared the way for a new formal Brazilian approach to this question.

Comeback for Frozen Foods

Industry chalks up new sales record in 1948, after a bad slowdown early in '47. One reason: the decline in poor-quality brands. Another: the success of frozen orange juice.

The frozen-food industry took a good look at itself last week. And it liked what it saw. Only two years ago, its remarkable wartime growth seemed to have stopped completely (BW—Feb. 22 '47, p68). Yet last week, at their annual convention, in Chicago, industry representatives heard that 1948 sales had set a new record; that 1949 was certain to be even better.

• **Two Reasons**—Frozen food people think this is what's behind it:

THE ELIMINATION of Johnny-come-lately packers since 1947.

THE DEVELOPMENT of frozen orange-juice concentrate.

• **Fly-by-Nights**—A lot of the trouble two years ago was that a whole slew of new operators had jumped into what looked like an evergrowing business. So: (1) Over-all inventories got far too heavy for demand; and (2) consumers soured somewhat on all frozen foods

because the quality of a lot of the fly-by-night brands was poor.

But the inventory squeeze turned out to be a blessing in disguise. The stronger packers were able to survive it. The shoestring boys were forced to the wall. Thus, the average quality level of frozen foods rose sharply. And that, gradually, brought a return of consumer confidence.

• **Outstanding**—Frozen orange juice was the sensation of 1948. And it looks like even more of a sensation in 1949. In the 1947-48 season, comparatively little of the concentrate was available in consumer-size cans—the process was too new. Yet it outsold frozen peas—always the industry's No. 1 seller—whenever and wherever it appeared on the market.

This season sales of the orange-juice concentrate equal sales of peas plus frozen strawberries (normally the leader among frozen fruits).

The juice is packed for consumers in 6-oz. cans. It is made drinkable by adding three cans of water. The 1½ pints of juice that result are equivalent to the juice from about 4 lb. of oranges. A can retails for 25¢ to 30¢.

• **Other Juices**—So far, processors have limited themselves to orange juice. But they have been experimenting with grapefruit, lemon, and lime concentrates. These should appear on the market soon.

Because of their high quality and moderate cost, producers expect frozen citrus concentrates to be a boon to the entire industry. One reason is the prestige factor. Another: When a housewife goes over to the frozen-food case to get orange juice, she's likely to buy some of the other products, too.

• **Bottlenecks**—Total sales of the frozen-food industry last year came to about 14-billion lb., Fred J. Becker, president of the National Assn. of Frozen Food Packers, told the convention. That was a gain of about 12% over the preceding year. Industry leaders predict that 1949 volume will run slightly ahead of 1948.

But any big sales growth is limited by the industry's storage and distribution capacity—all the way from retail outlets back to the packers.

Biggest bottleneck is still at the retail level. Shopkeepers are lagging in installing display cases. This is particularly true of small independents; chain stores have recently entered frozen-food marketing on a big scale.

• **Dream**—The success in freezing orange juice has given rise to what sounds like a fantastic dream—frozen, concentrated milk, which will taste like fresh whole milk when diluted. If such a process could be worked out, the dreamers say, every retail store in the country would have to install a frozen-food cabinet.



Trains rush carloads of sandbags across swollen Missouri River to buttress levees

Flood Threat and Ads Stimulate Bag Market

**Attention
FLOOD AREAS
BE PREPARED!**

Protect your valuable property and business
against possible flood damage

Order Your Flood Control Burlap Bags for
Sackling Sand BEFORE the Emergency Arises!!

**2,000,000 FLOOD CONTROL BAGS AVAILABLE
AT THE PRESENT TIME!**

100 to 1,000 Bag Lots, Ea. 15¢ 1,000 to 5,000 Bag Lots, Ea. 10¢
5,000 to 100,000 Bag Lots, Ea. 10¢

WRITE ... WITH ... or PHONE

NEBRASKA BAG CO.

715 SOUTH 9TH STREET JACKSON 4399

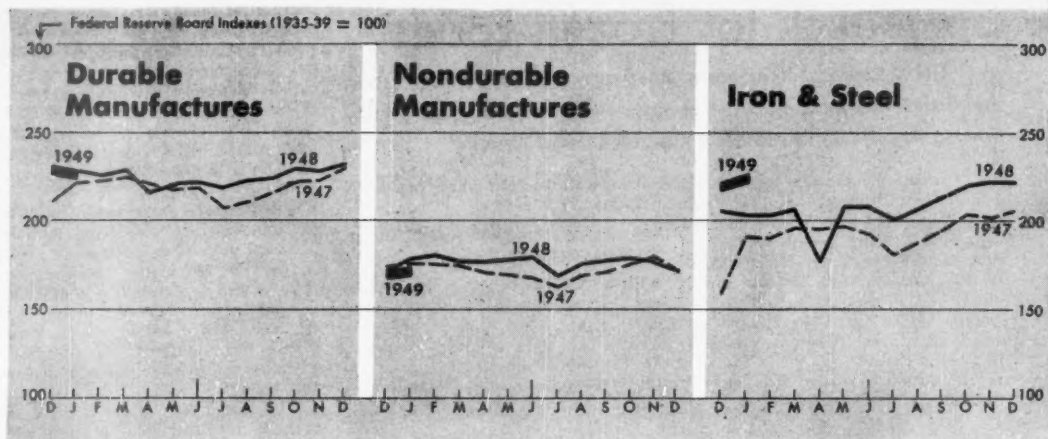
After 6 P. M. Call
WAbnet 9961 MArney 4599

Ad that sparked orders for bags

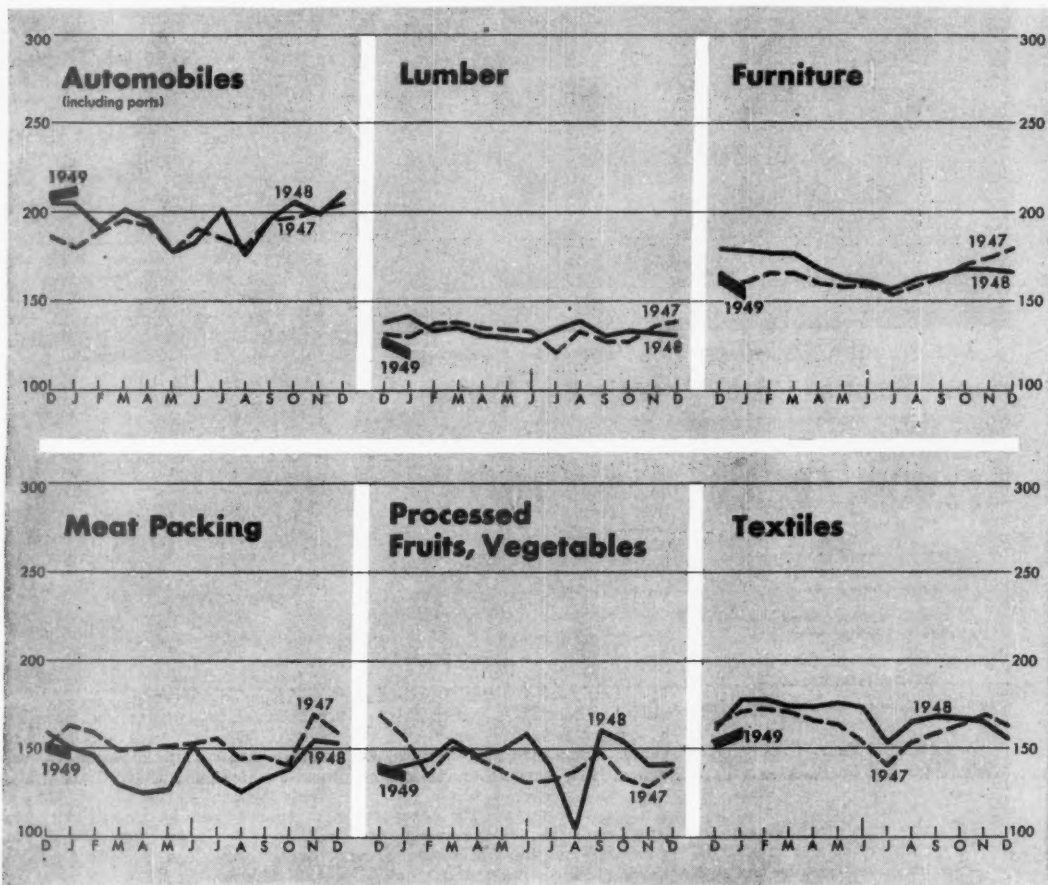
Flood threats on the Missouri River—and some well-timed newspaper ads—brought a torrent of orders for two used-bag dealers in Omaha, Neb., last week. The two companies, Zalkin, Inc., and Nebraska Bag Co., ran ads like the one on the left on March 3, 4, and 6. Within the week they had orders for more than 150,000 burlap bags.

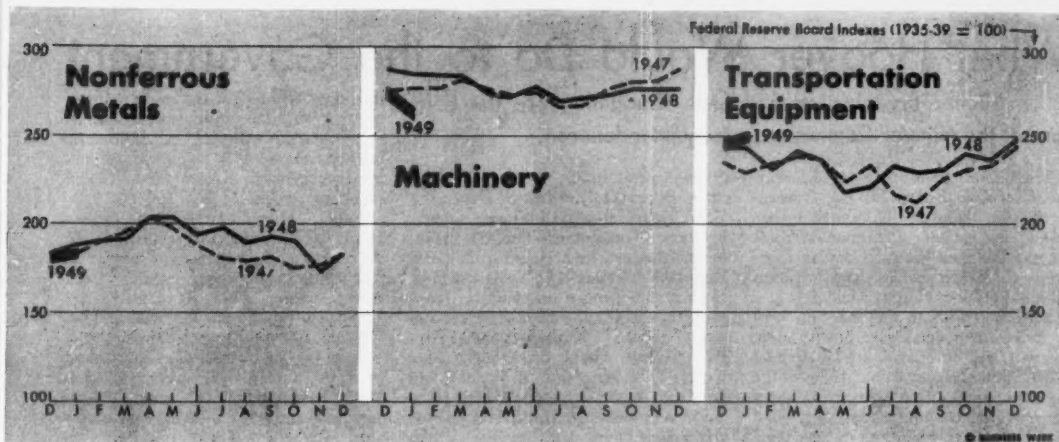
Railroads and municipalities—the big buyers—fill the bags with sand, use them to build buttresses against flood waters.

The two companies keyed their ads to a "Be Prepared" theme. Army Engineers had been instructed to distribute government sandbags only in an emergency. But Zalkin and Nebraska Bag figured that property owners would want flood protection before an emergency, not during one. Hence big sales. The Omaha bag dealers normally run direct-mail campaigns before the spring floods. This year there wasn't time.

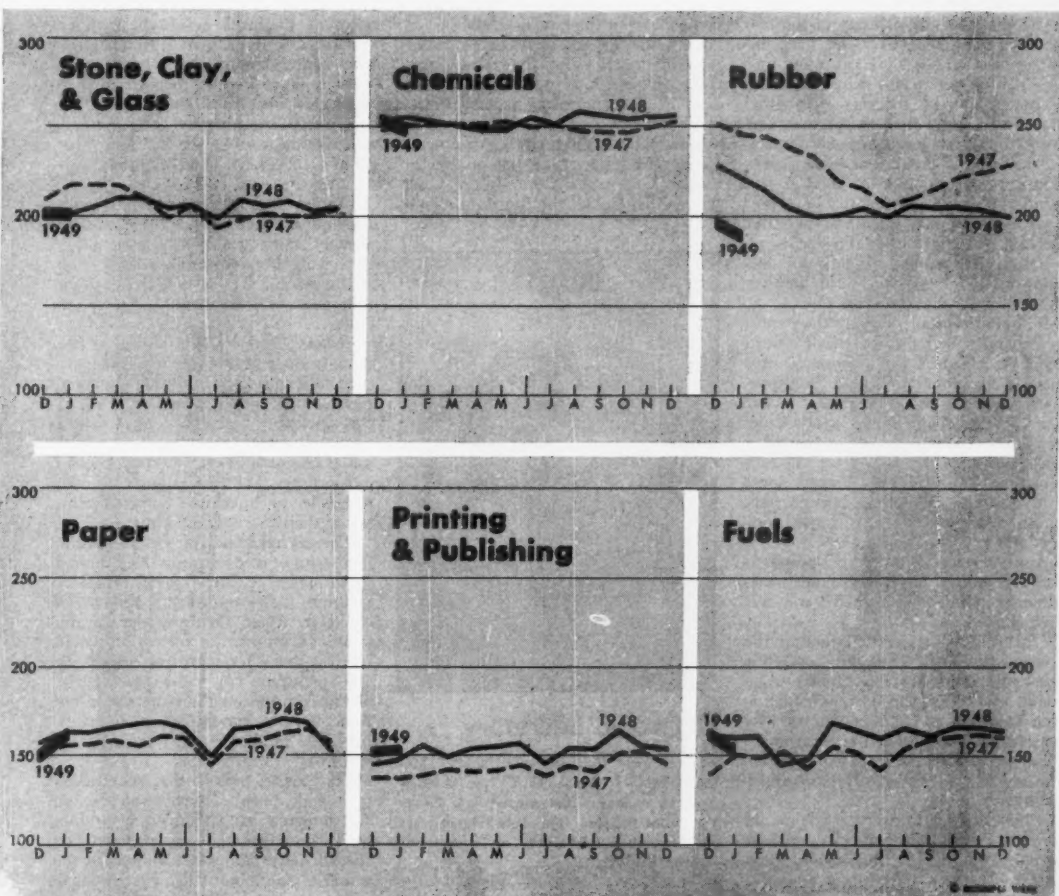


Crosscurrents Mark Trend of Nation's





Industrial Production



What Hoover Would Do to the Government

Better organization and better budgeting are the hard core of the Hoover Commission's recommendations.

The Commission on Organization of the Executive Branch of the Government—the Hoover Commission—has wound up its job. Chairman Herbert Hoover has gone fishing, leaving Congress to decide what reorganization powers President Truman will get.

Sixteen reports to Congress on how to make the federal government more efficient and less costly (BW—Feb. 12 '49, p. 25) have come off the presses of the Government Printing Office. The heavy demand for the document is a good measure of public interest in the commission: It looks as though, at 15¢ to 50¢ a copy, the GPO will net at least \$25,000 profit.

• **Better Organization**—Just what does the commission recommend?

Generally, it has advised a tightening of the lines of authority in the departments and bureaus. The lines on its organization chart run clean and unbroken from the White House down to the lowliest clerk. In every report, the commission urges that nowhere in the line of authority should any subordinate be permitted to circumvent his superior. Here's a good example of what it has in mind: Now the secretaries of Army, Navy, and Air may appeal beyond the Defense Secretary to the President.

• **Better Budgeting**—Through all the commission's reports runs another theme: better budgeting.

The commission, adopting the phrase of ex-Under Secretary of the Treasury John W. Hanes, calls its proposed new method of keeping books a "performance budget." In practice, this means that the President's budget would show in labeled entries the entire cost of a given project. The budget for soil conservation, say, would be broken down into separate categories—benefit payments, administrative costs, travel, postage, and so forth.

• **Applications**—Those two proposals form the nub of the commission's work. Other recommendations pretty well rest on them.

Take the report on strengthening the Commerce Dept.: It applies concretely the strict line-of-responsibility argument. So does the recommendation that the Treasury Dept. get control over other fiscal branches of the government—Export-Import Bank, Reconstruction Finance Corp., Federal Deposit Insurance Corp.

Conversely, Treasury would be stripped of its nonfiscal cares. These would be dumped in the lap of agencies that have general authority over similar functions. Federal buying would go to

a new federal supply agency; the Narcotics Bureau, to the Justice Dept.; the Coast Guard, to the Commerce Dept.

• **Almost Unanimous**—The 12 members of the bipartisan commission are in almost unanimous agreement on how to carry out the two major ideas. However, they were split on other ideas and many details. Example: the Ex-Im Bank. One school of thought—Sen. George D. Aiken, James K. Pollock, and James H. Rowe, Jr.—is for putting Ex-Im into Commerce. But others favored the switch to the Treasury.

Businessmen are most affected by (1) the separate reports dealing with Commerce, Labor, and Interior; and (2) the omnibus report on federal business enterprises.

Here in a nutshell are the commission's ideas on these fields:

Commerce. Secretary Sawyer would get a dominant voice in making transportation policy, as well as a stronger hand in all government activity affecting business.

Commerce would get control over the non-regulatory functions of the Interstate Commerce Commission, Civil Aeronautics Board, the Maritime Com-

mission. It would set the route patterns of land, air, and sea transportation.

Further, it wants U. S. diplomatic missions abroad to be staffed with Commerce experts to handle the technical reporting service.

Labor. Like Commerce, the Labor Dept. suffered wholesale confiscation of its functions during the war and after. The commission would restore it to a major footing, giving it control over these new functions: employment service and unemployment compensation; "prevailing wage" research; enforcement of labor standards in government contracts; Selective Service System (including the Bureau of Veterans' Re-employment Rights); wages of merchant seamen; industrial hygiene.

Interior. The commission would give Interior responsibility over all planning and construction of federal hydroelectric projects. This would mean that the rivers and harbors work of the Army Corps of Engineers would be merged with Interior's Reclamation Bureau into a new water-development service.

Interior also would become the chief engineering and construction agency for the federal government, taking over all construction work, save grant-in-aid programs such as federal-state highway construction.

The proposed service controlling water development and use would administer all flood control and power projects, the Bonneville Power Administration, the Southwestern Power Administration, and Interior's existing Division of Power.

Federal Business Enterprises. The commission recommends (1) that Congress review the power of lending agencies to make direct loans; (2) that in non-emergency periods Congress should restrict direct loans so as to insure widest use of commercial channels. The commission says that RFC should be used primarily to guarantee private loans, rather than make direct loans.

The commission asks that all government business enterprises be required to surrender to the Treasury all U. S. securities held, up to the amount of credit furnished them by the government. In return, the enterprises would receive non-interest-bearing credit in the Treasury.

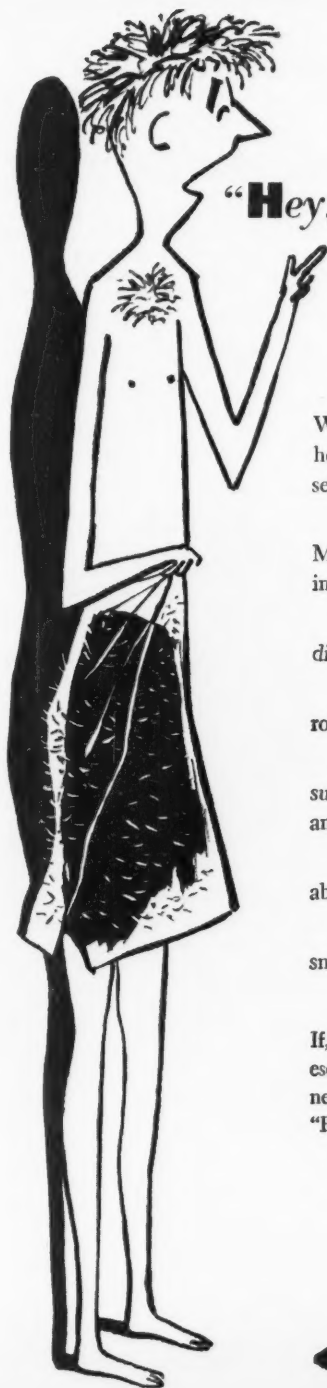
The commission also wants to prevent these business enterprises from investing idle funds in other government securities.

On power policy, the commission split wide open. It made no over-all recommendation. Hoover and four other commissioners recommended that federal power dams be required to sell power at the bus bar to private companies for transmission.



Electronic Secretary

Are you away from the office a lot? Mohawk Business Machines Corp., of New York, is making a gadget that will answer the phone for you. The Tele-Magnet picks up the receiver, tells callers you're not there, and takes up to 60 min. of messages on a wire recorder. It will be available this month, for \$198.50.



"Hey, who's the salesman around here?"

It was in a Turkish bath I ran into this gent. We got to talking about business, about overhead zooming up and up. So, naturally, I started selling him on our Comptometer Payroll Plan.

"We can save you hundreds of man-hours, Mr. Jaxon," I said, "because our Plan is amazingly simple and direct."

"And," he countered, "it lets you post directly to the employee wage statement!"

"Right!" I agreed. "Our Comptometer Payroll Plan . . ."

"... makes original entries yield final results," he broke in. "You enter an item once—and it need never be copied again!"

"Hey!" I cried, "how do you know so much about our Payroll Plan, anyway?"

"I've been using it for years, chum!" he smiled.

* * *

If, somehow, our Comptometer Payroll Plan has escaped your notice, why not investigate? Ask our nearest representative to show you our new booklet, "Felt & Tarrant's Streamlined Payroll Plan."



COMPTOMETER

REG. U. S. PAT. OFF.

ADDING-CALCULATING MACHINES

Made only by Felt & Tarrant Manufacturing Co., Chicago, and sold exclusively by its Comptometer Division, 1733 N. Paulina St., Chicago 22, Ill.



the difference is .002 of an inch!

Whether the product is a box of lollypops or luxurious ladies' hose, the difference that makes the sale is often the glossy buy-appeal in the .002-inch lacquer coating on the package!

In inks, on paper and paperboard, lacquer *sells*. Washable, colorless, odorless lacquer adds beauty to printed and unprinted paper surfaces.

Lacquer *saves*, too. Scuff-proof, moisture-proof, grease-proof lacquer keeps packages fresh and attractive for months in storage.

Beauty, toughness, and its speedy drying qualities make lacquer the preferred surface coating for wide list of products, ranging from automobiles to andirons.

CSC butanol, butyl acetate and dibutyl phthalate help make lacquer—industry's most versatile surface coating. These CSC solvents and plasticizers produce the smoothness and toughness that spell more sales in lacquered papers and paperboard.

CSC solvents and plasticizers are preferred by many industries in scores of heavy-duty jobs. Butanol and its derivatives are a few of the more than 200 CSC chemical products that industry uses to benefit, directly or indirectly, every American factory, home, hospital and farm.



COMMERCIAL SOLVENTS CORPORATION

17 EAST 43rd STREET, NEW YORK 17, N.Y.

BUSINESS BRIEFS

G. M. is paying for a new blast furnace and part of a battery of 35 new coke ovens at Pittsburgh Coke & Chemical. For that, G. M. will get guaranteed quantities of pig iron and coke for five years at market prices.

Tin-can makers can decide for themselves how many of each kind of can they will turn out this year—so long as they don't exceed their over-all tinplate quota. Order M-81 no longer bars use of tin entirely for such products as coffee and peanut butter, nor quotas it for beer and pet foods.

Two shutdowns in the auto industry (BW—Mar. 5 '49, p19) have ended. Willys-Overland is again hitting its regular weekly rate of about 2,000 units; Kaiser-Frazer is now getting the first new models off its production line.

New Hampshire has its own version of the Hoover commission to scrutinize the executive function of the state government. But the seven-man group has more power than its Washington prototype: Its recommendations are automatically law, unless vetoed by the legislature.

Bendix Aviation has picked William B. Paine to run its new operation in the wartime Pratt & Whitney plant at Kansas City. He was general manager of the company's Owosso (Mich.) plant. His new assignment: to start production on secret electronic equipment for the Atomic Energy Commission.

Jumping the gun on the debut of the 1949 Chrysler has given an Oklahoma City used-car dealer, Dick Dolph, some headaches. He put a shiny new car on view nine days before the official unveiling; the state tax commission took him into court on a charge that it didn't have 1949 license plates.

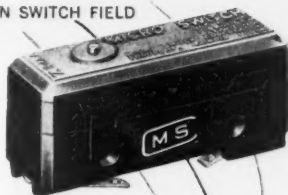
Indiana tax commissioners have made a 24-hour check of all airliners landing in the state. They want to put the planes (about 200 of them) on the property-tax rolls. Commission Chairman Noble Hollar says "airlines are in competition with . . . other forms of transportation which pay a tax based on the proportion of their business done in Indiana."

A power dam will be built on the Deschutes River after all. Washington state fish interests almost blocked it as they did the proposed dam in the Cowlitz River (BW—Feb. 26 '49, p99). But the state legislature has now given Northwest Power Supply Co. the go-ahead on the Deschutes project.

ONE OF A SERIES OF MESSAGES ON MICRO SWITCH LEADERSHIP IN THE PRECISION SWITCH FIELD

MICRO Precision Switch standards...

first recognized-then accepted-now followed



Pioneering is a tough job . . . just as tough in a new industry as in a new country!

One reason why MICRO SWITCH's task was so difficult, a dozen years ago, in the then infant precision switch industry was the utter absence of established standards of any sort. So, MICRO set out to establish standards—standards of engineering, of mechanical and electrical characteristics, of materials and methods, of laboratory and production techniques . . .

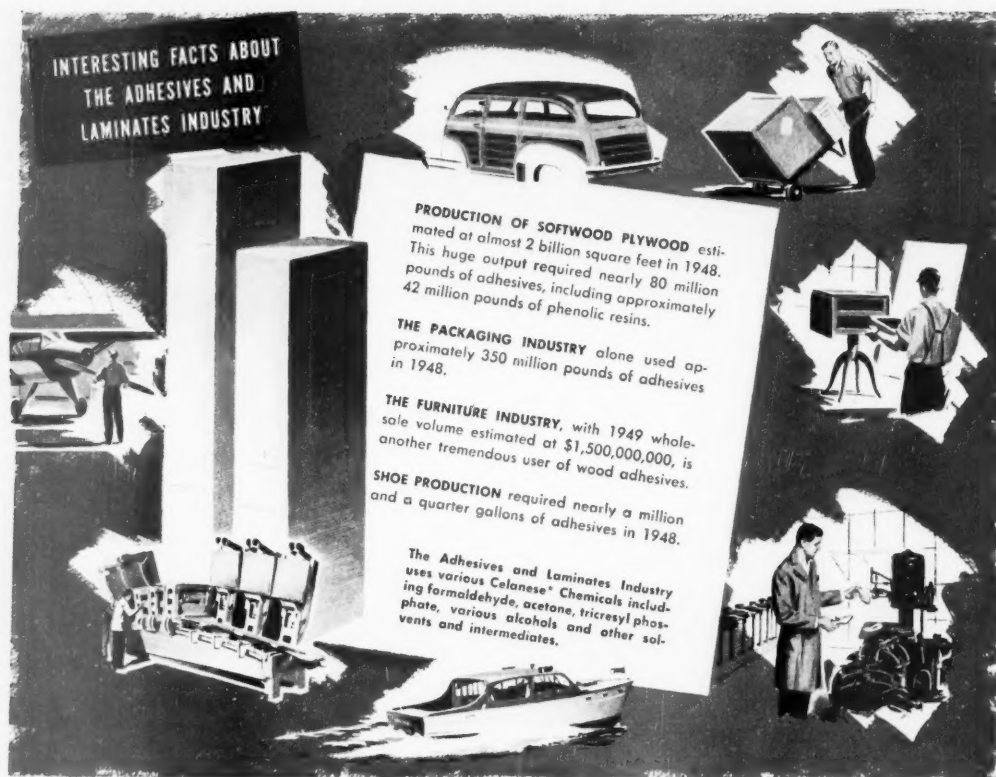
At that time, adequate apparatus for the necessary delicate testing and production procedures did not exist—so MICRO invited the best-qualified test-equipment makers to add their ingenuity to that of its own engineering staff, and the required apparatus was created!

Standards of techniques and of quality first set by MICRO were quickly recognized—then accepted and emulated. But MICRO, ever conscious of the responsibilities imposed by leadership, has *continued* to lead by anticipating industry's newest demands, preparing today for tomorrow's unexpected switch requirements and possibilities!

It is significant that MICRO SWITCH has earned and held its universally recognized leadership strictly on the merits and proved performance of its line of precision switches alone. Switches are 100% of our business—and we are pledged to a policy of supplying American industry with the finest switches we, as "first name in precision switches," can produce. MICRO SWITCH, Freeport, Ill. Branch Offices: Chicago, New York, Boston, Cleveland, Los Angeles. Sales Representatives: Portland, St. Louis, Dallas, Toronto.



MICRO...first name in precision switches



Principal advantages offered by Celanese Chemicals to the Adhesives and Laminates Industry

Customers of the Chemical Division of Celanese Corporation of America in the adhesives and laminates industry profit from a number of important advantages:

PIONEERING RESEARCH IN PETROLEUM CHEMISTRY

Celanese has a record of over sixteen years' research leadership in this modern field. This, coupled with advanced laboratory and pilot plant facilities, provides valuable technical assistance to customers and an ever-increasing stream of new organic chemicals for industry.

PRIMARY PRODUCER OF ORGANIC CHEMICALS

With modern equipment and advanced processes, the Celanese chemical plant

is one of the country's largest for synthesizing organic chemicals from petroleum natural gases. Strategic location near Bishop, Texas—in the heart of the oil fields—affords Celanese excellent control of basic raw materials.

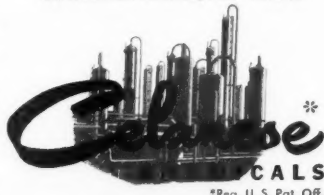
NATION-WIDE SERVICE AND DISTRIBUTION

Celanese offers the adhesives and laminates industry valuable technical service on organic chemicals. Choice of transportation by rail, water or truck is provided. Bulk storage of chemicals is maintained at strategic locations, with distributor warehouse facilities at major industrial points.

These favorable factors provide continuity of supply of high quality chemi-

cals, both now and for the future. The record of Celanese Corporation in all three major fields of operation—chemicals, textiles and plastics—has been one of greater volume and lowered prices through production efficiency.

CELANESE CORPORATION OF AMERICA
Chemical Division
180 Madison Avenue, New York 16



*Reg. U. S. Pat. Off.

ALCOHOLS ALDEHYDES GLYCOLS KETONES ACIDS SOLVENTS PLASTICIZERS

READERS REPORT:

Steel Diecasting

Sirs:

Many thanks for the publication of an article about our steel diecasting process [BW—Feb. 5 '49, p34]. You mention that the company which developed this process, Hisgen Machine Tool Works, went out of business in 1947, according to the Los Angeles Chamber of Commerce.

May we inform you that we are still in the business, as Ohio Machine Tool Works, 833-835 W. Davis St., Dallas, Tex., and have built several units for India and Argentina since that time. However, at the present time the cost of this machine is too high—exactly \$46,500. Therefore we have had not much success in building too many. We are still closely associated with Ajax Electrothermic Corp., of Trenton, N. J.

JOHN HISGEN

PRESIDENT,
OHIO MACHINE TOOL WORKS,
DALLAS, TEX.

Enough Steel Capacity?

Sirs:

In your editorial "Toward Socialization of Steel" [BW—Jan. 15 '49, p108], you refer to my estimate made over two years ago that 100-million tons of steel would be required in 1950 if we were to have full employment. This statement is correct, but I wish you had indicated to your readers that this estimate is based on the full-employment conditions we had in the 1920's, when prices were not inflated and productivity was not subnormal as it is today.

This qualification is particularly pertinent in view of your further observation that "all through 1948 the U.S. economy was on a full-employment basis while the total output of steel was only 88½-million tons. The fact that a full economy can operate when only that much steel is available makes the value of the Bean estimate highly dubious."

This problem I recognized more than two years, and in fact dealt with it in my testimony before the Steel Subcommittee of the Senate Committee to Study Problems of American Small Business on June 19, 1947, in these words:

"The question has been raised why 100-million tons or more of steel production is indicated for future full-employment situations when we have practically full employment today with steel production of only 85-million tons. One answer is that the present volume of production is below the current de-

mand and that the present shortage of steel and other raw materials has a retarding effect on the total national production. During the last part of 1946, and the first half of 1947, total national output of goods and services per man-hour appears to have been at least 15% below normal, taking into account the long-time upward trend in the nation's productivity. If the shortage in total output of industrial goods and services were to be made up, it would increase the consumption of steel and other raw materials, and the total steel required would exceed present capacity."

I would add now that in 1948 the fully employed labor force could have processed more raw materials, had they been available, and that the lowered national productivity per man-hour in 1948 amounted to a "loss" of about \$25-billion in gross national output of goods and services.

The argument is currently being circulated that there is an impending decline in business activity and in steel and that therefore suggestions for steel capacity expansion are not in order. If a recession does develop, it will be due in large part to consumer resistance to inflated prices traceable to industrial shortages. And, if that is the prospect, it may be premature to argue that the shortages of 1947 and 1948 did not bring on unemployment.

Furthermore, when actual or expected unemployment retards expansion, it lays the basis for new or additional shortages for subsequent full-employment conditions.

The danger we face today of even greater shortages in the 1950's is clearly borne out by the recent McGraw-Hill survey [BW—Jan. 22 '49, p54] which shows that while all manufacturing industries expanded 56% during the past 10 years, the steel industry expanded only 3%, and that over the next five years all industries expect to expand another 13% while the steel industry expects to expand only 3%.

If any of your readers are interested in seeing how the depression of the 1930's resulted in a halt to steel capacity expansion and laid the basis for the wartime and current shortages in steel, the brief statement entitled "What About Steel (The Battle of Steel Statistics)" is available on request and will give them that information.

LOUIS H. BEAN

OFFICE OF THE SECRETARY,
DEPT. OF AGRICULTURE,
WASHINGTON, D. C.

• We do not think that employment would have been much greater, if any,

County Court House Heated by Steam

When the Highland County Board of Supervisors built a new court house in Monterey, Va., they selected a Webster Moderator System of Steam Heating to provide the economy and comfort required in all public buildings.

With the Webster Moderator System, heating is "controlled-by-the-weather."

Webster Moderator Control is also applied to the Jail and Sheriff's Residence adjoining the court house. In the jail, Webster Type WI Extended Surface Radiation answered the problem where limited wall space for radiation existed.

Webster Traps and Valves were installed on all convectors and fin radiation.



Highland County Court House and adjoining Jail and Sheriff's Residence, Monterey, Va. Architect: Daley Craig, Wayneboro, Va. Equipped when built in 1947 with Webster Moderator System. Heating Contractor: Frank A. Dunn & Sons, Inc., Lexington, Va. General Contractor: C. W. Barger, Lexington, Va.

An important factor in the success of many Webster installations is the friendly service and close co-operation available to building construction and operation personnel from Webster Representatives.

Your local Representative will be glad to discuss your heating problem. If you are planning a new building or modernizing an existing building, find out more about the Webster Moderator System today.

Address Dept. BW-3

WARREN WEBSTER & CO.
Camden, N.J.: Representatives In Principal Cities
In Canada, Darling Brothers, Limited, Montreal

WEBSTER
MODERATOR
SYSTEM
OF STEAM HEATING
"Controlled by the weather"

CLARK

Another Clark user
writes an ad!

"OUR FORK TRUCK SAVED US A NEW WAREHOUSE"

"By doubling the capacity of our warehouse our Clark fork truck saved us the heavy capital expense of enlarging that facility," says a gratifying unsolicited letter from A. S. Marlow, Jr., head of MARLOW PUMPS, Ridgewood, N. J. "In one year the machine paid for itself several times over from reduced costs; and to date there has been no down-time or maintenance expense."

This is typical of many letters from users in every conceivable kind of business, warmly endorsing Clark fork-lift trucks and towing tractors. For helpful data on how your business may enjoy similar or even greater benefits from these versatile machines, we urge you to CONSULT CLARK.

CLARK ELECTRIC AND GAS POWERED
FORK TRUCKS
AND INDUSTRIAL TOWING TRACTORS



INDUSTRIAL TRUCK DIV., CLARK EQUIPMENT COMPANY BATTLE CREEK 42, MICH.
REPRESENTATIVES IN PRINCIPAL CITIES THROUGHOUT THE WORLD
AUTHORIZED CLARK INDUSTRIAL TRUCK PARTS AND SERVICE STATIONS IN STRATEGIC LOCATIONS

had there been steel enough to meet all demands in the period since V-J Day. Nor can we understand how all of the steel-consuming industries would have been able to operate and chew up all of the steel if it had been in plentiful supply. Where would we have found sufficient manpower for all of the industrial plants, mills, factories, and mines? We don't believe that we could have had a level of employment much higher than we have achieved in the past year or so, and therefore the overall industrial output would not have been any greater than it has been.

A point that has to be taken into account in estimating the future needs of steel in the U. S. economy is the competition now being supplied to steel by other materials. The use of aluminum has grown tremendously, and a good part of the market now being held by the aluminum producers will never be lost to the steel companies. Because of the greater use of aluminum, it is not necessary to have as much steel available to match population increases as in the past. Plastics also have made inroads on the use of steel, although not to the same extent as aluminum.

How to Get Top Management

Sirs:

Some time back you published an article on "Personnel Administration at the Executive Level" [BW—Oct. 16 '48, p. 19], the findings and report of Secretary of Defense James Forrestal's committee for analyzing the practices of . . . [industry] . . . in obtaining personnel at high administrative levels.

In your article you unfortunately neglected to say where copies of "Personnel Administration at the Executive Level" could be secured, and at what price. Mr. C. N. Asbury, Management Engineer, Navy Dept., has forwarded to us so many letters of inquiry, that we wonder if you could not inform your readers that the monograph is again in print and available to the general public. Incidentally, one national mail-order house alone ordered 150 copies for distribution among its personnel, and a number of other companies placed proportionately large orders.

To permit wide public distribution of "Personnel Administration at the Executive Level" without expenditure of government funds, the Secretary of Defense authorized its publication by the U. S. Naval Institute, an organization founded and conducted for non-profit purposes. The monograph can now be ordered from the U. S. Naval Institute, Annapolis, Md., at \$2.75 per copy, with discounts for large orders.

W. G. COOPER

CAPTAIN, U. S. NAVY,
U. S. NAVAL INSTITUTE,
ANNAPOLIS, MD.

Alloy Steels Ahoy!



ARE you all at sea about alloy steels? Do you want help in using them? Give Carnegie-Illinois a hail.

We can show you how to keep from going adrift amid the countless types of alloy steels now available, how to chart a safe course in selecting the proper type for any job that requires high service performance and low maintenance costs, how to treat the steel in your shop to get best results in fabrication and in operation.

To find out what the fine alloy steels we produce have to offer you, how they differ one from the other, and why we are in the best position to assist

you in their application, send for a copy of our recently published book "U-S-S Carilloy Steels." And when you're ready for specific, practical metallurgical assistance that's based on the latest experience with alloy steels, ask one of our service metallurgists to drop around.

CARNEGIE-ILLINOIS STEEL CORPORATION, PITTSBURGH & CHICAGO

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UNITED STATES STEEL EXPORT COMPANY, NEW YORK

Carilloy Steels



ELECTRIC FURNACE OR OPEN HEARTH

COMPLETE PRODUCTION FACILITIES IN CHICAGO AND PITTSBURGH

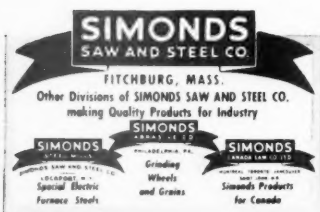
UNITED STATES STEEL



SIMONDS Cutting Tools



**This Line
is made only
in Top Quality
...and
SOLD
THROUGH
LEADING
DISTRIBUTORS**



PRODUCTION



IN THE BEGINNING—1877—Jeffrey Mfg. Co. was not imposing, artist's drawing shows



TODAY, 50 acres are none too much for its huge mining-machinery plant

Jeffrey Keeps Growing

Old Columbus company got its start in mining machinery, is still digging in that field. But expansion has carried it into many lines. It buys another company to get more plant space.

Jeffrey Co., of Columbus, Ohio, has dug for itself a firm corner in the foundations of two businesses—mining machinery and materials-handling equipment. From a tiny one-horse outfit (top picture) it has grown in the last 71 years to a tremendous plant, spread out over 50 acres just beyond the heart of downtown Columbus—and to a leading position in its field. The number of Jeffrey products in both lines runs into the hundreds.

• **Newcomer**—This week, the venerable concern was busy digesting a new sub-

sidary. Jeffrey's latest is its neighbor, the Case Crane & Kilbourne Jacobs Co. Case Crane makes the seventh subsidiary to join the Jeffrey family. Holding the group together is Jeffrey Co. itself, a holding company formed in 1946.

Here's the Jeffrey lineup today: Jeffrey Mfg. Co., Columbus, makes mining, processing, and materials-handling equipment; chains; transmission machinery.

Ohio Malleable Iron Co., Columbus, turns out malleable castings for indus-

**TRUCKS THAT
HAVE ADEQUATE
PLATFORMS . . . ROOM
TO MOVE AROUND IN
. . . SAVE YOUR
DOLLARS AND TIME!**

Today, with mounting costs all along the line, *loading platform congestion* is a serious problem. No matter how much money you pour into new tools and methods—inadequate shipping facilities will always eat into your profits.

Right now, make a study of your "bottleneck" areas. Minor remodeling can often take care of normal plant expansion for years to come.

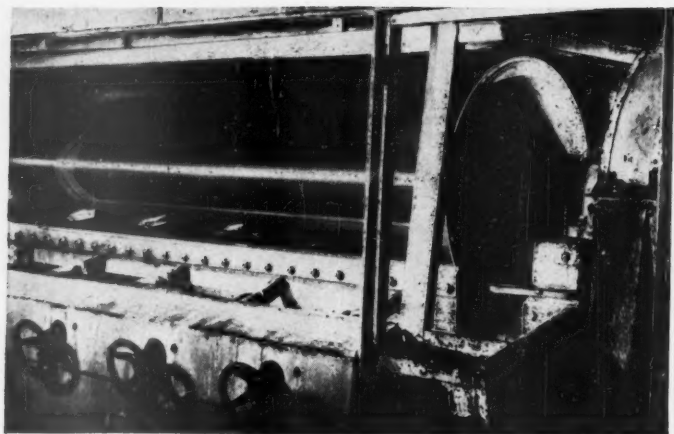
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AND ENGINEER**



THE AMERICAN TRUCKING INDUSTRY

AMERICAN TRUCKING ASSOCIATIONS, WASHINGTON 6, D. C.





One of two driers at the Hillside, N. J., plant of Bristol-Myers Company, equipped with Lukenweld Jacketed Steel Drier Rolls

Bristol-Myers

Upped Production 41%

with Lukenweld Jacketed Drier Rolls

PATENTS APPLIED FOR

200 pounds of dried, flaked material every 7 to 8 minutes instead of the 10 to 11 minutes formerly required! That's how much Bristol-Myers stepped up output from these machines simply by replacing drum-type rolls of different material with Lukenweld Jacketed Steel Drier Rolls—an average increase of 41%.

No other changes were made. The increased production was entirely due to the increased drying rate and positive method of condensate removal of rolls of Lukenweld design and steel plate construction. Had steam pressure been increased above the 80 psi used in both old and new rolls, the drying rate could have been further increased.

Records since installation of the Lukenweld Rolls in 1938 show a further saving. Despite the action of a 30% saline solution, the steel plate roll faces, which are chromium-plated, have lasted over six years. In contrast, chromium-plated surfaces on the old style rolls had to be refinished every year and a half.

If you have a job calling for roll drying, you can probably do it better and faster with Lukenweld Jacketed Steel Drier Rolls. Bulletin 358 tells you about them. Lukenweld, Division of Lukens Steel Company, 483 Lukens Building, Coatesville, Pa.

We'll lend you "LUKENWELD", a 16mm motion picture with sound, highlighting our methods, facilities and products. Running time: 20 minutes. Write for booking date.



LUKENWELD
DRIER ROLLS AND DRYING MACHINERY

• SPEED SCRAP TO THE MILLS TO MAKE MORE STEEL •

try generally; it does all of Jeffrey's own malleable-iron casting besides.

Galion Iron Works & Mfg. Co., Galion, Ohio, makes road machinery—rollers, spreaders, graders.

Case Crane & Kilbourne Jacobs Co. makes a line of industrial trucks and wheelbarrows.

Besides these, Jeffrey runs three foreign subsidiaries: British Jeffrey-Diamond, Ltd., at Wakefield, England; Jeffrey Mfg. Co., Ltd., Montreal, Que.; Jeffrey-Galion Proprietary, Ltd., at Johannesburg and Durban, South Africa.

Jeffrey employs 7,000 people in all. About half of them work in the Jeffrey Mfg. Co. plant in Columbus.

• **More Room**—Case Crane increases Jeffrey's diversity. But the need for more room was the main reason Jeffrey took it over. Factories or residences hedge in the main Jeffrey plant in Columbus on all sides.

One of the few ways the plant could expand, therefore, was to buy the adjoining plant of Case Crane.

• **Mining Machine**—The Jeffrey story—and the story of coal-mine mechanization—really started in 1876. That year, a Columbus man, Francis F. Lechner, invented and got a patent on a mining machine.

The next year, Lechner founded Lechner Mining Machine Co., forerunner of the present Jeffrey Mfg. Co. The company built its first machine in 1877, installed it in a mine at New Straitsville, Ohio. Jeffrey says this machine was the first power-driven coal cutter in America.

Lechner himself was general manager of his firm. For treasurer he picked a Columbus bank cashier by the name of Joseph Andrew Jeffrey.

The little concern ran into trouble at the start. Lechner's machine, like its predecessors, did little if anything to boost the output of the mine where it was installed. So in 1881 the company failed.

• **A New Start**—But Joseph Jeffrey had caught the manufacturing bug by then. In 1882, he quit the banking business entirely to become president of a new company, Lechner Mfg. Co. Five years later, he bought out Lechner's interest, changed the name to Jeffrey Mfg. Co.

By 1888, Jeffrey had developed a chain-cutting machine and had designed the first Jeffrey electric locomotive for mine use. With these two machines, the company was on its way.

• **New Plants**—Jeffrey took over its first subsidiary in 1904 when it bought Ohio Malleable Iron Co., which had started operations in Columbus two years earlier. Ohio Malleable had been and still is Jeffrey's source of supply for malleable-iron castings. A recent \$1-million expansion and mechanization program has doubled its capacity; now it can

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● You can search the entire United States and you will find no more desirable site for industry than this great section. It is called the Erie Area—6 states that lead in industry and population... proof that here is the zone that has everything!

You have Coal, Oil, Iron and Steel, Sand, Lime, Salt, Rubber, Gas, Chemicals and other basic materials along with machine tools and parts,

and a great annual crop of agricultural products.

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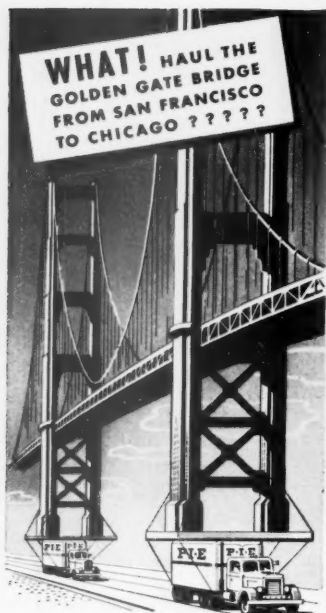
Send a list of your requirements in detail and preferred location to Mr. A. B. Johnson, Vice President, Erie Railroad, Room 502, Midland Bldg., Cleveland 15, Ohio. Your letter will be held in strict confidence.



Erie Railroad



SERVING THE HEART OF INDUSTRIAL AMERICA



THAT'S some order!—But in a year Pacific Intermountain Express freight-hauling totals 362 million ton-miles—equal to carrying the Golden Gate Bridge, the world's largest single-suspension span, from San Francisco to Chicago!

This huge P-I-E tonnage represents nearly 670,000 individual shipments by thirty thousand business firms—eloquent testimony to the fact that P-I-E stands for *days-sooner delivery at low cost!**



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PACIFIC INTERMOUNTAIN EXPRESS
FASTEST BY LAND
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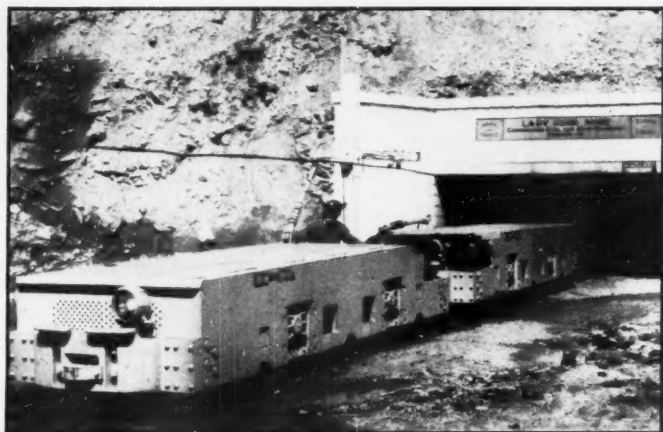
{ SAN FRANCISCO } and { CHICAGO }
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PIONEER in mining mechanization was this early Jeffrey electric locomotive



MODERN "double header" electric mine locomotive is among Jeffrey's many products

handle a big volume of outside business.

For a long time, Jeffrey stuck close to its home town. It grew as Columbus grew. Then, in 1929, Jeffrey added the 22-year-old Galion Iron Works & Mfg. Co. Jeffrey bought the Galion firm to diversify its line and to grab a share of the rapidly expanding construction-machinery business. Galion is now one of the leading producers of road machinery; its output accounts for a hefty piece of Jeffrey's total business.

In 1942, Jeffrey wanted to supplement its materials-handling equipment. It bought the Traylor Vibrator Co. of Denver, and moved Traylor's manufacturing facilities to Columbus.

Meanwhile, Jeffrey had been reaching further afield. In the '20's, it established its British and Canadian plants; in the '30's it set up shop in South Africa. Main reason for each of these

moves: Trade restrictions were hurting its thriving export markets.

• **Competition**—At first, Jeffrey had the coal-mining-machinery field just about to itself. Then in 1893, it struck competition. Sullivan Machine Co., began making a compressed-air coal cutter at its plant in Claremont, N. H. Sullivan was absorbed in 1946 by the Joy Manufacturing Co. of Pittsburgh.

Now Joy Mfg. and Goodman Mfg. Co. of Chicago are Jeffrey's chief competitors in the field of coal-mining machinery.

• **Bulwarks**—Despite all the diversifying, Jeffrey's two standbys are still coal-mining and materials-handling equipment. Today, Jeffrey makes machines and equipment for every phase of mining operations; you will find them at any point from the coal face to the railroad car or lake barge.

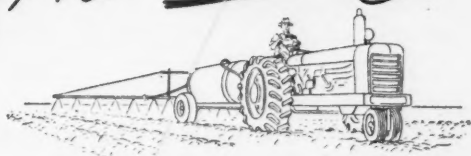
Jeffrey claims several "firsts" in coal-



hard water is

Good enough for drinking

but not for spraying weeds!



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stabilizes 2,4-D Amine Solutions
and prevents hard water precipitates**

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Isopropyl N-Phenyl Carbamate
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Parathion
Para Amino Phenyl Mercuric Acetate
Phenol
Phthalic Anhydride
Picoline—Alpha, Beta and Gamma
Pipe Line Enamel
Pyridine—Medicinal and Industrial
Sodium Cyanide
Sodium Thiocyanate
Sulphate of Ammonia
Sulphuric Acid—60°, 66° and Oleum
Tar Acid Oil Disinfectants
Tar—Crude and Refined
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The effective use of concentrated 2,4-D amine solutions for weed control has been made difficult, and sometimes impossible, in many agricultural regions because of *hard water* conditions. But *now* the precipitation of undesirable salts (caused by the dilution of concentrated 2,4-D amine solutions with "hard" water) can be avoided.

A new Pittsburgh chemical . . . IMINOL-D . . . when incorporated in 2,4-D concentrates at the time of formulation, not only prevents nozzle-clogging precipitates but also increases the wettability and effectiveness of the spray. Precipitation protection lasts for an adequate period after hard water dilution.

Since many of the richest agricultural areas in the country have water classified as hard or very hard, the introduction of Pittsburgh IMINOL-D is a development of significant importance to herbicidal spray manufacturers.

Full technical information is available in bulletin form. Write for Pittsburgh IMINOL-D Bulletin today!

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Yes, Capper's Farmer is often quoted—more, in fact, than any other farm publication. Because editors everywhere respect Capper's Farmer as an authority on farm practice, with a lifetime record of significant, down-to-earth information. These editors, like Capper's Farmer's own readers, believe in the magazine. Believing it, they quote it.

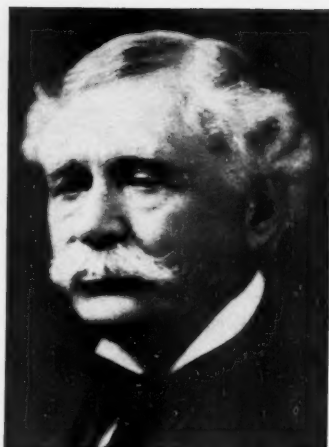
Such quotable material, too! Not just theory, but theory proved in practice—on the farm and in the farm home—seen first-hand by Capper's Farmer field editors.

Each time this material is quoted, it adds more weight to the influence of Capper's Farmer—and the advertising it carries. And being most-quoted is *only one* of the BIG 10 Capper's Farmer advantages. ...

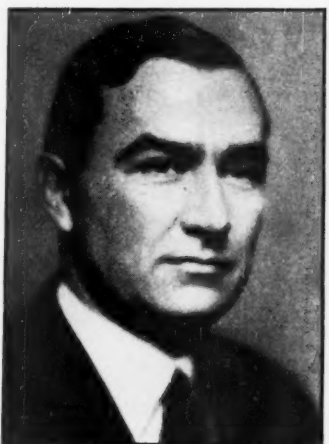
No other farm magazine has them all ... not one!

only Capper's Farmer

TOPEKA, KANSAS



FIRST PRESIDENT was Joseph A. Jeffrey, who started out as a banker



PRESENT PRESIDENT of Jeffrey Co. is R. W. Gillispie, formerly of Bethlehem Steel

mining machinery besides the mechanical coal cutter:

- (1) The first adaptation of electric motors to mining machines;
- (2) Development of the first electric locomotive used in bituminous-coal mining;
- (3) Manufacture of the first commercially successful mechanical coal-loading machine;
- (4) The first sectional mining conveyor;
- (5) The first cable conveyors and retarding conveyors; and
- (6) The first mining-and-loading machine.

• **Sales?**—The soft-coal industry now spends something like \$300-million a year on new equipment and machinery. How much of this lush market belongs

Here's that new crane you're paying for

If you own an old steam locomotive crane, you are probably signing checks every month that could easily pay for a brand new AMERICAN DIESELECTRIC. Would you rather have the new crane, or the cancelled checks?

Here are some of the items involved in running your ancient steamer: (1) *Wasted fuel* . . . coal used while building up steam, while fires are banked at night, while crane is standing idle, or while it's running in for more coal! (2) *Wasted labor* . . . the expense of a fireman who does nothing but nurse the boiler. (3) *Wasted maintenance money* . . . the endless repair and service costs that grow steadily worse with old, worn out equipment.

In its day, the AMERICAN Steam Locomotive Crane was one of the wonders of the age. But compare it with the AMERICAN DIESELECTRIC of 1949. Using diesel power to the deck, electric power to the wheels, the DIESELECTRIC cuts fuel cost to 1/10th that of a steam crane. One man runs it. In the underbody, seven tons of wearing parts have been eliminated—so maintenance expense is cut 25% to 50%. Those factors, plus enormously greater work output, enable the DIESELECTRIC to pay for itself in five years!

Would you like to check these statements . . . and see exactly how the DIESELECTRIC has revolutionized the use of locomotive cranes? Mail the coupon below.

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NO. 2,083,480, TOUCH CONTROL, PATENT NO. 2,370,158

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*Reg. U. S. Pat. Off.



J-M Fibretone Ceilings are installed by Johns-Manville and by J-M Approved Acoustical Contractors to assure you the utmost in noise-quieting benefits.



Johns-Manville



SON OF FOUNDER is Robert H. Jeffrey, now chairman of the board of directors



ANOTHER SON is Walter Jeffrey, a member of the board of the closely held company

to Jeffrey is anybody's guess. Jeffrey executives are extremely close-mouthed about matters of this kind. They do claim that 40% of the nation's annual coal production is cut by Jeffrey equipment. Joy's net sales for its 1948 fiscal year totaled about \$60-million. Jeffrey says it topped this figure—but it won't say by how much.

● **Materials Handlers**—To move from mining conveyors to other types of materials-handling equipment was a natural step. Today Jeffrey is one of the largest sellers of this machinery in the U. S.; it probably ranks second only to Link-Belt Co. It serves 50 industries—anything from cosmetics to steel.

From 20% to 25% of Jeffrey's total business comes from this source.

● **Special Problems**—In its own manufacturing, Jeffrey goes in for modern

Take a NEW LOOK...



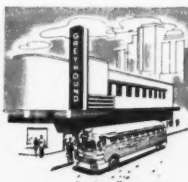
at GREYHOUND in the light of this year's selling problems

Sales executives are today giving selling costs the sharpest examination in eight years... and *travel expense* is getting special attention! This is the time to take a new and thoughtful look at Greyhound, in the light of stepped-up competitive selling—to see how greatly its services and equipment have progressed, how deeply its low fares cut sales overhead.

In its service to the "in-between" towns and communities—in its coverage of markets which have assumed new importance—in its unparalleled convenience and frequency of schedules, Greyhound has much to offer that deserves your attention—now.



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thousands of smaller towns their best (often only) public transportation—opening a big additional field for intensive selling.



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located at the busy heart of each town and city are convenient headquarters for selling. Fine new terminals are built and building.



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in the deep-cushioned comfort of a SuperCoach—arrive rested and refreshed. No driving strain, no traffic or parking troubles.



SERVING 48 STATES,
Greyhound makes all America accessible to active selling programs. More than 85,000 miles of fine highway routes.



FAR LOWER COST
per mile, than any other kind of transportation. Tickets cost only $\frac{1}{3}$ to $\frac{1}{4}$ as much as operating a private auto or company car!

GREYHOUND





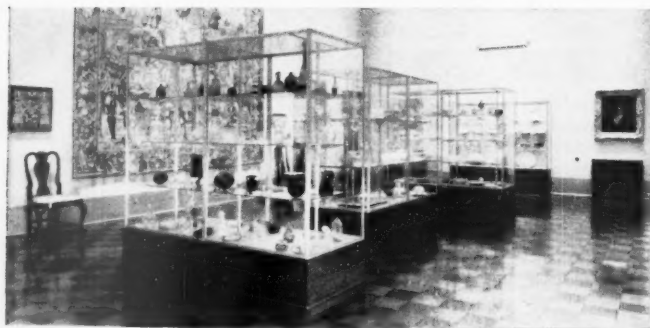
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Michaels exhibit cases are top quality in every respect. They are designed for beauty as well as utility, and incorporate many worth-while features. They are theftproof, dustproof, and available in a wide range of styles and sizes to meet most requirements. Michaels also manufactures special cases in any quantity for concerns who supply their dealers with display cases. Write for complete details.

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assembly-line and mass-production methods wherever it can. But on the coal-mining end, mass production is a tough nut to crack. Most machines are tailor-made for specific conditions.

• **Continuous Miner?**—Recently, several manufacturers have come out with mammoth mining machines that cut and load coal in one continuous operation—without drilling and blasting (BW—Dec. 25 '48, p34). Jeffrey executives refuse to get excited about such developments. But there's little doubt that Jeffrey has such a machine in the works.

• **Quality Control**—Another problem for the coal-equipment supplier is quality control.

To make sure of getting this, Jeffrey, like most of its competitors, is highly—though not entirely—integrated. It has its own gray-iron, malleable-iron, and brass foundries. A complete electrical department makes all parts for motors, controllers, contactors, and even head-lights.

• **The Men**—Jeffrey started out as pretty much of a family affair. It still is that. Three of the key executive posts are filled by Jeffreys.

Founder Joseph A. Jeffrey stayed at the helm as president until 1922. At that time he moved over to the chairmanship, and his eldest son, Robert H. Jeffrey, took over the president's chair. Robert started serving his apprenticeship with the company in 1895; in the early 1900's he became a vice-president. The company has not been his sole interest: He served a term as mayor of Columbus from 1903 to 1906. When father Joseph died in 1928, Robert in turn became board chairman. Now in his 70's he is still at the post, and has an active hand in the affairs of both Jeffrey Co. and Jeffrey Mfg. Co.

• **Outsider**—To fill the presidential gap that Robert left, the company picked an outsider, R. W. Gillispie. Gillispie had been an executive of Bethlehem Steel Corp. Today, he is still president of the two main Jeffrey companies.

Another son of the founder, Walter Jeffrey, is a member of the board; a grandson, J. A. Jeffrey, is a vice-president of Jeffrey Co. and Jeffrey Mfg.

• **Family Control**—Members of the Jeffrey family are sole owners of the company's common stock. The preferred stock is sold over-the-counter but it, too, is rather closely held.

Because it is not a publicly owned corporation, Jeffrey's assets, capitalization, earnings, and other financial statistics are, of course, a well-kept secret.

• **\$30-Million Plus**—Company officials, when pressed, report that the company's assets "exceed \$30-million." They smilingly admit that this estimate is "ridiculously low." Outside observers think a figure twice that amount would come closer to the truth.

BACKGROUND FOR

Better Sound... Better Sight

Since the early days of "Marconigrams" Blaw-Knox has pioneered in the design and fabrication of towers and supporting structures for electronic communication both here and abroad. Working cooperatively with electronic engineers, Blaw-Knox has contributed much to the astounding progress of Audio and Video Transmission.

Likewise in other fields, Blaw-Knox technical knowledge and engineered products have shown the way to better performance, lower costs. Representative of Blaw-Knox products and services . . .

STEEL TRANSMISSION TOWERS AND POLES for power transmission lines.

Design and construction of complete CHEMICAL AND PROCESS PLANTS.

PROCESS EQUIPMENT and machinery for the chemical and food industries.

STEEL AND ALLOY CASTINGS giving maximum resistance to wear, heat and corrosion.

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STEEL FORMS

CLAMSHELL BUCKETS

STEEL GRATING

ENGINEERING SERVICE in the design of special machinery and processes for industry at large.

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BLAW-KNOX DIVISION

BLAW-KNOX SPRINKLER DIVISION*

BUFLOVAK EQUIPMENT DIVISION

BUFLOVAK MIDWEST COMPANY

CHEMICAL PLANTS DIVISION*

UNION STEEL CASTINGS DIVISION

THE FOOTE COMPANY, INC.**

LEWIS FOUNDRY & MACHINE DIVISION

NATIONAL ALLOY STEEL DIVISION

PITTSBURGH ROLLS DIVISION

POWER PIPING DIVISION*

*Operates as a division of Blaw-Knox Construction Company
**Subsidiary of Blaw-Knox Company



Industrial Buildings



Open Flooring



Iron, Steel & Alloy Castings



Power Piping



Rolls for Rolling Mills



Rolling Mill Equipment



Chemical Plants



Food Processing Equipment

Steel Forms



Clamshell Buckets



Process Equipment

Blaw-Knox Company

A Pacemaker for American Initiative and Ingenuity
2104 Farmers Bank Bldg., Pittsburgh 22, Pa.

HOW Autopoint BUSINESS GIFTS PAY BIG DIVIDENDS

These are the pencils that write big business. As business gifts, they will book more business for you *more often*—pay you big dividends over and over again in new sales, repeat orders! These are the famous pencils that give trouble-free, easier writing, because they have the "Grip-Tite" tips that won't let leads wobble, turn or fall out.

With your name or slogan imprinted, "Autopoint" pencils are good will builders...dependable salesmen with no time limit on their working hours. In beautiful styles and finishes, they are priced to fit your budget too. Send coupon for catalog and quantity prices.



No. 301
Retail
\$4.00

INSTANT ACTION "AUTOPOINT" INDEX

A marvelous gift your best customers and potential big business prospects will appreciate. Alphabetical index flips back to page on which to enter phone numbers, data, etc. Extra supply of memo sheets in base. Handsomely finished in walnut or black. The answer to "How to keep prospects reminded." Mail coupon.

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"Autopoint" is a trademark of Autopoint Company, Chicago

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Dept. BW-3, 1801 Foster Avenue, Chicago 46, Ill.
Please send me catalog and quantity prices on
☐ "Autopoint" Imprinted Pencils
☐ "Autopoint" Imprinted Instant Action Index and other Imprinted Business Gifts

Name.....

Company Name.....

Street Address.....

City.....Zone.....State.....

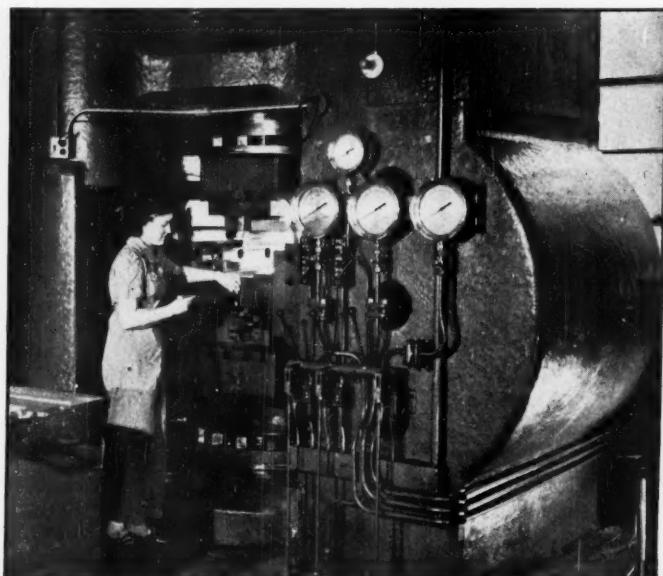
No. 430
Retail
\$1.25



1 Tubular furnaces bake tungstic acid in a hydrogen atmosphere. The acid, which has been converted from native ore, is reduced to a pure tungsten-metal powder

Making Powder-Tungsten Parts

Fansteel Metallurgical Corp. uses a raft of production tricks to turn out its tungsten discs for auto ignition parts.



2 Dies in an hydraulic press squeeze the metal powder into bars. The bars are fragile, are held together only by their own compactness (TURN TO PAGE 48)



Prescription fillers — that's us!



Just as it takes a trained apothecary to blend a prescription properly, so it requires a trained staff—such as ours—to coordinate the many factors of plant location.

Bring your prescription to us and we'll show you the many advantages of locating in the B & O area.

Without obligation and in confidence, our Industrial Development Staff will submit for your consideration a complete *custom-made* study to fit *your* individual problem.



Ask our man!

Industrial Development representatives are located at:

NEW YORK 4, N. Y. • BALTIMORE 1, MD.
PITTSBURGH 22, PA. • CINCINNATI 2, OHIO
CHICAGO 7, ILL.



Baltimore & Ohio Railroad

Constantly doing things — better!

What Patapar does— and how it does it



BUTTER WRAPPERS



MILK CAN GASKETS



VITAMIN CAPSULE TRAYS



AUTO ACCESSORY WRAPS



HAM WRAPPERS



CANNED SHRIMP LINERS



POULTRY WRAPS



OLEOMARGARINE WRAPPERS



PIE CRUST MIX LINERS



DRIED FISH WRAPPERS

Patapar Vegetable Parchment has a remarkable combination of qualities. It has high wet-strength. It is boil-proof. It resists grease. It has a rich, white texture—beautiful to look at.

Business men find Patapar ideal for many purposes. They use it for butter wrappers, milk and cream can gaskets, vitamin capsule trays, auto accessory wraps, ham wrappers, liners for canned sea food, poultry wraps, oleomargarine wrappers, greeting cards, fish wraps, rubber mold liners, inner liners for packaging pie crust mix, ham boiler liners. In hundreds of other ways Patapar is serving business and industry.

179 types to choose from

Patapar is made in 179 different types or variations. This enables you to get just the right sheet for your particular needs. For example, you might want a type of Patapar that is air tight. We can give it to you. Or we can give you a type that permits "breathing." Types vary as to wet-strength, grease-proofness, translucency, moisture vapor resistance and many other characteristics. When we know your problem we can help you select the type of Patapar that will best meet your requirements.

BUSINESS MEN: For more information write for booklet B, "The Story of Patapar."

Patapar

REG. U.S. PAT. OFF.

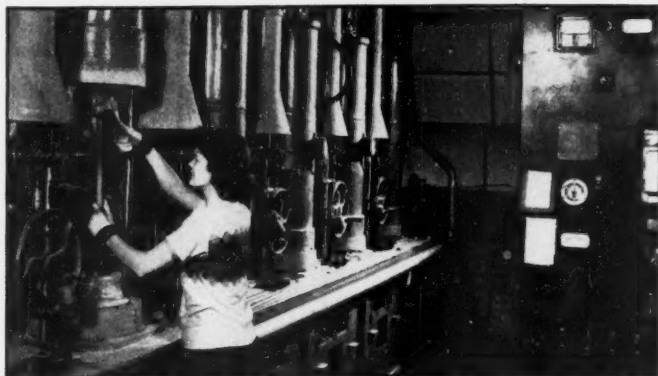
**HI-WET-STRENGTH,
GREASE-RESISTING PARCHMENT**

Paterson Parchment Paper Company
Bristol, Pennsylvania

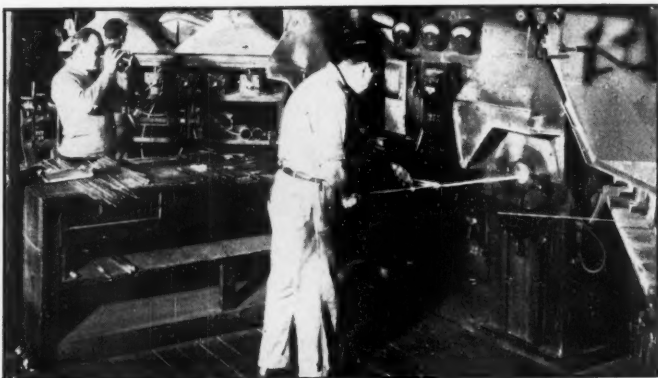
West Coast Plant: 340 Bryant St., San Francisco 7
Sales Offices: New York, Chicago

Headquarters for Vegetable Parchment since 1885

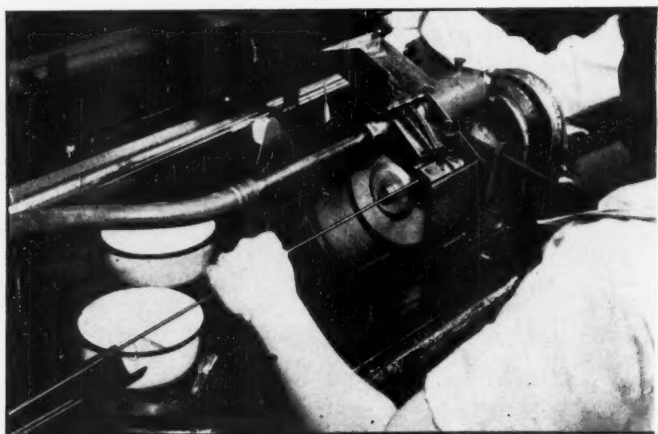
POWDERED TUNGSTEN (continued from page 46)



- 3 Sintering turns compacted powder into a metal ingot by passing a heavy electric current through the bar. Current welds the particles, but doesn't melt them



- 4 Electric furnaces forge the sintered bars into rods. Larger diameters are "swaged" in a hydrogen atmosphere by semiautomatic forging machines



- 5 High-speed abrasive wheels slice metal discs from forged tungsten rods. Cutter turns out firm, end-grained surfaces for electrical contacts (TURN TO PAGE 50)

CLASS OF SERVICE

There is a full range of Telegrams, or Cablegrams, available in the United States. In the foreign countries, a limited number of Telegrams is available. For a complete list of Telegrams, or Cablegrams, and their charges, see the Western Union Telegram Book.

WESTERN UNION

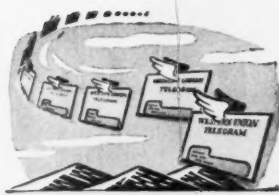
W. P. MARSHALL, President

SYMBOLS

DL—Day Letter
NL—Night Letter
LC—Delayed Cable
MT—Cable Night Letter
R—Radio

**MANUFACTURERS, WHOLESALERS,
RETAILERS:**

**ARE YOU TAKING FULL ADVANTAGE OF
"BOOK" TELEGRAMS AS A SALES FORCE
AND ALL-PURPOSE BUSINESS TOOL?**



MAKE "FLOCKS" OF CALLS economically and quickly, with "book" telegrams—your message dispatched simultaneously to a list of people... All you do is furnish the message and list of addressees; Western Union does all the rest!



WIN THE RACE FOR SALES. Competing for new business today calls for speed, and more speed! Telegrams save time, and thus give you a competitive advantage. They speed up day-by-day operations, too.



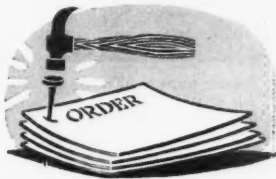
"SPOTLIGHT" YOUR STORY. Where competing prices and merchandise are about equal, telegrams get "first attention"... get in without delay, yet without intruding... win the "urgent" spot... get action.



GET BUSINESS MOVING. Perhaps you're overstocked and need fast action—or have to dovetail the work of salesmen, displays and advertising in a promotional program. Whatever your need, telegrams can help you!



GIVE TIME TO "THINK." A telegram gives the recipient a "breathing period" in which to get necessary information and think out a reply. Yet the telegram's suggestion of urgency prevents delay in answering.



NAIL THE DEAL DOWN. Telegrams record transactions permanently, both for sender and receiver. You always have a written record. And a telegram is legally binding. These are often important advantages.

OTHER WAYS telegrams can help you make and save money

Easter greetings and announcements to customers and the trade—to build good will and move seasonal merchandise.

Telegraphing money to salesmen or buyers; to seal a bid; to pay taxes; to make payments of all kinds.

Assuring reservations at hotels, on trains, buses or planes; getting tickets for theaters, sports events, etc.

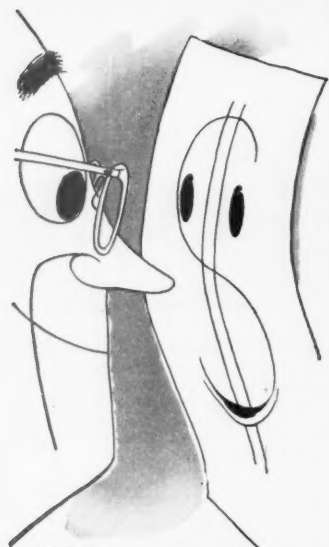
NOTHING ELSE GETS THROUGH.

GETS ACTION...LIKE A...

Let a Western Union representative show you—with actual case histories—how "book" telegrams can help sales drives... how telegrams can make your business more efficient many ways.

**WESTERN UNION
TELEGRAM**





Have you met Your Costs Face to Face

?

Are you *sure* the operating costs you use to run your business are *actual* costs? If not, you are like a skipper with a jammed radar. Certainly, accurate, up-to-the-minute records are vital aids to your decisions.

National will help your staff help you
Features in record-keeping forms have been created by National to increase accuracy and speed. If your record-keeping system is as modern as your production machines it should include:

- **Eye-Ease*** paper—combats eyestrain in all record-keeping.
- **Numbered Lines and Columns** and alternate colored columns—increase accuracy and speed in analysis work.
- **Visible Binders**—speed up posting and reference.

Ask your office manager to call your stationer or write direct for our new **Records Catalog**. \$1.00 a copy.

*Trade Mark Reg. U. S. Pat. Off.

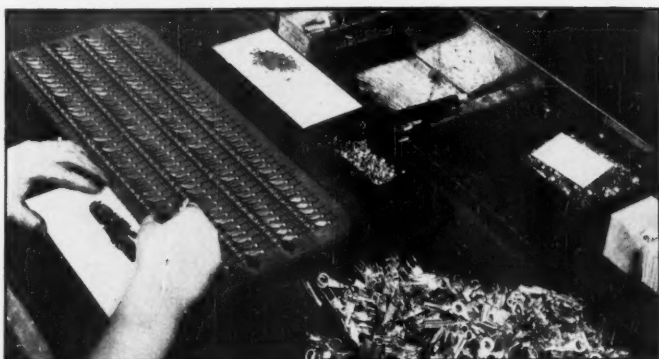
National Blank Book

COMPANY

Holyoke, Massachusetts



POWDERED TUNGSTEN (continued from page 48)



6 Finished tungsten discs are assembled on the final product—auto ignition breaker-arms. Copper wafers, sandwiched between the discs and the arms, act as brazing agents



7 Brazing furnace melts copper wafer, bonds disc to ignition breaker-arm. Quantity output of these special parts is one reason why . . .

Rare Metals Pay Off for Fansteel

Company has built a \$7-million business out of tungsten, tantalum, other hard-to-extract metals. It fabricates them, too.

Turning rare metals into common tools for industry has built a \$7-million-a-year business for Fansteel Metallurgical Corp., North Chicago, Ill.

Fansteel works in nonferrous refractory metals—metals that withstand temperatures up to 5,400F. It produces and refines tantalum, tungsten, molybdenum, and columbium, makes them into common shapes and finished products.

• **Special Steps**—These metals are tough to extract from native ores. For example, Fansteel had to develop special electrical and electro-chemical processes

to extract tungsten from wolframite ore.

Fabrication is equally tough. Welding under water, baking in a hydrogen atmosphere, and sintering in vacuum tubes are some of the techniques that Fansteel's researchers had to work out.

The war skyrocketed the demand for refractory metals.

To step up Fansteel's capacity the government financed a new \$5-million plant. The company bought the plant from the War Assets Administration early in 1947.

• **Sales Breakdown**—Fansteel's current sales break down roughly this way:



BURLINGTON'S 100th ANNIVERSARY

● One hundred years ago, a little group of foresighted men obtained a charter for the twelve-mile Aurora Branch Railroad. From that humble beginning (on February 12, 1849) has grown the present Burlington system—11,000 miles of railroad, serving fourteen great states. Rich in the pioneering tradition, the Burlington has contributed many important innovations in railroading . . . from the first railway post office (1862) to America's first diesel-powered, streamlined train (1934) and the first *Vista-Dome* car (1945).

The 35,000 men and women of the Burlington Lines are proud of its past progress and its present achievements. But they are more interested in the future. The Burlington's first century, eventful and productive, lies behind us.

Ahead is a new horizon . . . a new challenge . . . a new opportunity
—to serve more people better through the years to come.



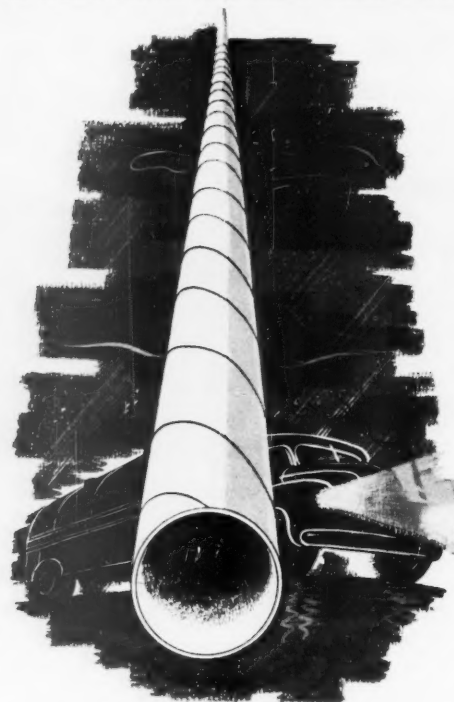
BURLINGTON LINES



Chicago, Burlington & Quincy Railroad
Colorado and Southern Railway
Fort Worth and Denver City Railway
The Wichita Valley Railway
Burlington-Rock Island Railroad

Everywhere West

AN ESSENTIAL LINK IN TRANSCONTINENTAL TRANSPORTATION



"We've been watching engineers laying pipe lines along the river bed. Pipe lines are really *life lines*, aren't they? This pipe was coated with NO-OX-ID Rust Preventive to seal out moisture, then wrapped with chemically treated NO-OX-IDized Wrapper to ward off abrasion. Surely pipe with that kind of overcoat is down to stay. It'll deliver our oil and gas without interruption, or leakage."

...*The Traveler*

MEMO: If you are laying new pipe lines, or if existing lines need attention, consult Dearborn Engineers. They've protected thousands of miles of pipe with NO-OX-ID under all conditions, throughout the country.

Dearborn

TRADE MARK REGISTERED

...the leader IN RUST PREVENTIVES
AND BOILER WATER
TREATMENT

DEARBORN CHEMICAL COMPANY

General Offices 310 S. Michigan Avenue, Chicago 4, Illinois

Canadian Branch: Dearborn Chemical Company, Ltd., 2434 Dundas St., West, Toronto. Offices—
Los Angeles • New York • Cincinnati • Denver • Detroit • Tulsa • Indianapolis • Philadelphia
Pittsburgh • St. Louis • San Francisco • Shreveport. Agents—in principal cities around the world.

*Your
supply
of
fuel
made
more
dependable
by
the
discovery
of
how
to
protect
pipe
lines
from
failure
due to
corrosion*

40% electrical contracts, 20% metal powders and carbides, 15% metallic tungsten and molybdenum, 12.5% tantalum products, and 12.5% rectifiers.

Sales last year were estimated at \$7-million. That compared with a wartime peak of \$12.8-million in 1943. But it was well above 1940's \$1.8-million sales total.

MERCURY TURBINE AT WORK

The first mercury turbine-generator built since the war has gone into operation at Hartford Electric Light Co., Hartford, Conn. The equipment, which uses mercury vapor instead of steam to drive a turbine, was made by General Electric Co.

The turbine-generator produces 15,000 kw. of electricity. It has a boiler that heats mercury into vapor (like water is heated into steam). The vapor not only drives the turbine, which in turn drives an electric generator, but it also supplies extra heat. The heat makes steam for other turbine-generators in the power station.

G.E. says several similar mercury power plants will be installed throughout the country during the year.

CAPITAL FOR NEW MOTOR

American Research & Development Corp. of Boston (BW—Feb. 19 '49, p. 6) has bought a "substantial minority interest" in Berry Motors, Inc., of Memphis. A.R.&P., which was formed to furnish venture capital for new business, already has a hand in 13 different companies.

Berry holds patents on a new type compressed-air-driven motor, developed by Frank Berry, its president. The motor has no crankshaft, connecting rods, or camshaft. Instead, it uses a piston which operates in circular motion inside a cylinder. There is no reciprocating action, so Berry says the motor has high efficiency, a minimum number of parts, and is lightweight. The company's plant is at Corinth, Miss.

OZONE CUTS FRUIT LOSS

Ozone, generated inside freight cars, is cutting spoilage of citrus fruit in transit. The gas is produced with equipment worked out by Dr. Palmer H. Craig, director of the electronics research laboratory of the University of Miami, Fla.

Stewart Packing Cooperative, Auburndale, Fla., is the first to use the equipment commercially in carload shipments. Over a three-week period, it was able to cut its losses to under 2%. Cost of generating the gas is about 4¢ a box of fruit—compared with 8¢ to 10¢ a box for refrigeration.

PRODUCTION BRIEFS

RCA's Tube Dept. has broken ground at Marion, Ind., for a new plant to mass produce 16-in. metal television tubes. Partial production begins this summer.

Primary aluminum output in the U.S. in January totaled 100-million lb. The Aluminum Assn. says this is about 2-million lb. above average monthly production during the last quarter of 1948.

The power-line network serving Norfolk Naval Shipyard has been set up in miniature on a direct-current calculating board. The model layout enables engineers to trace short circuits in the Navy Yard in about 15 minutes.

U.S. Steel has been working on a new continuous tinning-coating process, applying a thin layer of lead and tin to sheet steel to make it corrosion resistant. The process, out of the experimental stage, is near its rated capacity at Carnegie-Illinois' Gary (Ind.) plant.

High-frequency arc welding can go ahead. The Federal Communications Commission has O.K.'d a National Cylinder Gas Co. unit that does not interfere with radio or television reception. FCC has ruled that no high-frequency arc welders can be made after Apr. 30 unless approved by the commission.

Hudson Motor Co. has developed a machine that fully balances a complete engine—not just the component parts. As the engine is running, the \$30,000 device locates the imbalance, directs a drilling machine to cut away the excess metal.

"Curlator" method, being worked out by Consolidated Machine Tool Corp., Rochester, N. Y., is supposed to give 11% more sulphite pulp per cord of wood. The machine breaks down bundles of fibers that otherwise might have been wasted. Consolidated now has five models under construction.

Cordoglas, woven from Fiberglas yarns and coated with a colored Vinylite resin, is being pushed for convertible car tops. Owens-Corning Fiberglas Corp., the manufacturer, says they have designed a top that will stand up well, yet keep its brand-new appearance.

Eastman Kodak Co. has a new research laboratory in Panama City, Panama. It will do two kinds of work: research on photographic practices in the tropics; prevention of deterioration of equipment from tropical conditions.

Rugged Motors for
America's *Finest* Products

Lamb Electric
MOTORS



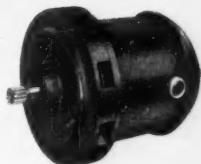
Ruggedly designed motor with triple thread worm gear reduction for vending machines, advertising displays and similar applications.

Ruggedness—a major factor in motor reliability—is assured in Lamb Electric Motors because of their special engineering.

Every Lamb Electric Motor is specially designed for the product or device it is to drive. This means that both electrical and mechanical characteristics are engineered for the exact requirements of a specific application.

Special engineering, which among other advantages provides ruggedness, is another reason why Lamb Electric Motors are powering more and more of America's finest products.

THE LAMB ELECTRIC COMPANY
KENT, OHIO

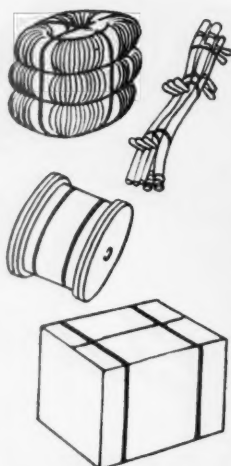


Rugged construction is a major factor in the reliability of this motor widely used in the field of mechanized equipment.



Sturdy and reliable, explosion proof construction, helical geared fuel transfer pump motor.

ACME STEEL CO.
CHICAGO



9 out of 10 companies can save money by packaging with ACME STEELSTRAP

Yes—over 45,000 users have proved it. And here are some typical cases:

- a lumber retailer cut handling costs 50%
- a tool manufacturer cut packaging material costs 88%
- a water heater manufacturer saved 750 lbs. dunnage per car
- an auto maker saved 75% on costs of packing cylinder blocks

Interested? Mail the coupon!

ACME STEEL COMPANY, Dept. BW-39
2838 Archer Avenue, Chicago 8, Illinois

Send free booklet, "Savings in Shipping."

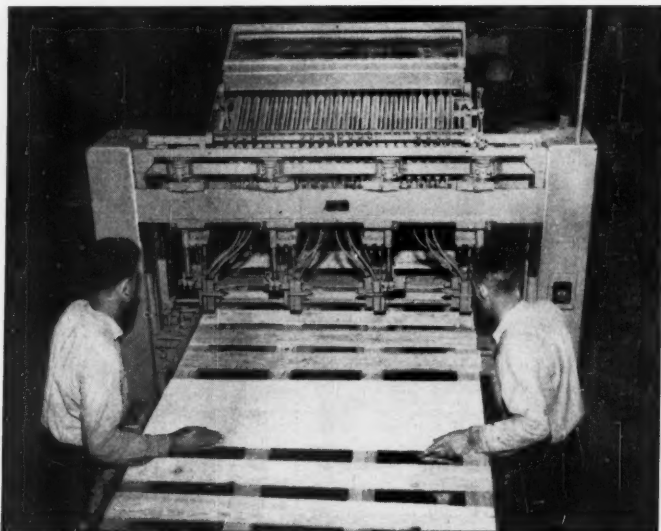
Name

Company

Address

City Zone State

NEW PRODUCTS



Robot Carpenter

A mechanical nailer, made by Food Machinery & Chemical Corp., turns out wood shipping crates and pallets at production-line speed.

The machine is designed to drive as many as 24 nails at once—in practically any nailing pattern less than 72 in. wide. The nailer will operate up to 120 strokes a min., depending on the operator. The machine is built in various widths to fit particular jobs. Change-over from one nailing pattern to another takes about 10 min.

The nailer has a 5-hp., 1,800-r.p.m. motor; you can get it in any voltage or cycle rating you want. F.M.C.'s Packing Equipment Division at Riverside, Calif., is the manufacturer.

• Availability: immediate.

You can set up the partitions in the mold to get any shape of block you want; most common sizes are an 8-in. block with a core and a 4-in. solid block. You can also use the package to make fireplaces and outdoor chimneys. The company is at Gobles, Mich.

• Availability: four weeks.

Small Sander

Sterling Tool Products Co. has an electric sander small enough to fit in the palm of your hand.

The Century Portable weighs 5 lb., measures 4x9x3 in. It takes one-third of a standard sheet of sandpaper; several sheets can be loaded at one time. The sanding pad rotates at 5,000 r.p.m.

You can use the sander on wood, metals, or plastics. It works on flat and curved surfaces in either dry or wet sanding. The company address: 1340 Milwaukee Ave., Chicago 22.

• Availability: immediate.

Packaged "Stone" House

Imistone Co. has wrapped up a complete building package that has all the materials you need to put up the exterior of a concrete "stone" house.

The Imistone package has wood molds built something like big ice-cube trays. You set up the molds at the building site, one for each side of the house. Windows and doors are blocked into the form; the rest of the form is partitioned off into sections for the "stone" blocks. Concrete is then poured into the sections, and a colored finishing material is spread on top.

When the concrete has hardened, the form is opened up; the blocks are ready to be cemented into a wall.

Torrid Torch

Industrial Engineered Products Co. is offering its "Torchmaster" for soldering and light brazing jobs. The self-contained hand torch is small enough (24 in. in diameter by 13 in. long) for use in tight places or on small pieces.

One advantage of the Torchmaster is that it lights instantly, with no priming. And it burns equally well upside down or at any angle. A single control valve varies the flame from an intense blue pencil-point to a roaring blowtorch. One filling of liquid petroleum gas



The famous Greenbrier Kitchen

The **GREENBRIER**
WHITE SULPHUR SPRINGS
STRESSES THE
Adaptability of **GAS**
For a Continental Cuisine
in the Southern Tradition



An outstanding example of efficiency in the arrangement of modern Gas Equipment

CULINARY PERFECTION is one of the proudest boasts of the management of The Greenbrier. This world-famed West Virginia resort hotel has established its reputation for fine food and perfect food service in many years catering to the varied tastes of an exacting clientele drawn from two continents.

To maintain these traditions, and increase the operating efficiency of the hotel kitchens, the executives of The Greenbrier completely modernized the cooking

facilities. Of course, the new installation is a modern Gas Kitchen equipped with—

Hot Top Ranges	Salamanders
Deep Fat Fryers	Roasting Ovens
Radiant Broilers	Bake Ovens
Coffee Urns	Griddles
Warming Tables	Sterilizers

The adaptability of GAS for all cooking and food service requirements is evident in the wide variety of Gas Equipment used by The Greenbrier. Here the chefs de cuisine have at their command the perfect combination for preparing every dish in a continental cuisine—GAS and modern Gas Cooking Equipment.

Kitchen modernization offers many opportunities for increased profits when you select adaptable GAS and efficient Gas Equipment. You'll find it worthwhile to check up on the advantages of GAS in your food service operation.

AMERICAN GAS ASSOCIATION

420 LEXINGTON AVENUE, NEW YORK 17, N. Y.

MORE AND MORE...

THE TREND IS TO **GAS**

FOR ALL
COMMERCIAL COOKING



You don't go bear hunting with a popgun

It requires suitable equipment to get results.

This is equally true in materials handling—nothing can take the place of an appropriately designed overhead traveling crane.

Whiting has more than 60 years' experience in designing and building cranes properly engineered to their jobs—to give the utmost service at lowest cost consistent with required loads, speeds, and frequency of use.

Whiting engineers will be glad to discuss your materials-handling needs and submit a proposal for a Whiting Overhead Traveling Crane. Let Whiting figure on your next crane.

WHITING CORPORATION

15661 Lathrop Avenue

Harvey, Illinois



Offices in Chicago, Cincinnati, Detroit, Los Angeles, New York, Philadelphia, Pittsburgh, and St. Louis. Agents in other principal cities. Canadian Subsidiary: Whiting Corporation (Canada) Ltd., Toronto, Ontario. Export Department: 30 Church Street, New York 7, N. Y.

IMPORTANT

Whiting has acquired the patents, manufacturing and sales rights to Spencer & Morris Trambeam Systems. These, combined with Whiting Hoists, Light Cranes, and Heavy Cranes enable Whiting to supply a complete, fully integrated overhead materials-handling system.

BUILDERS OF QUALITY CRANES

FOR OVER 60 YEARS

Dependable • Quiet-Running • Durable

WHITING Overhead Traveling CRANES



(butane or propane) in continuous use will last the average working day. Interstate Commerce Commission has given the torch its O.K. The company address: 4716 Melrose Ave., Los Angeles 46.

• Availability: immediate.



Smoke Signaler

Manufacturers in cities that are fighting smoke may be interested in General Electric's smoke density indicator and control.

The unit records smoke-density levels on a meter; it also forces heated air into the furnace firebox to cut excess smoke.

Here's how it works: A photo-tube "views" the density of the smoke out of doors. When the smoke reaches a predetermined density, the tube starts up a relay. The relay, in turn, works a blower that forces heated air into the firebox until the smoke density drops to a safe percentage. The relay also operates an alarm that warns the boiler operator to adjust his drafts to get better

fuel combustion. General Electric is at Schenectady 5, N. Y.

• Availability: immediate.



Practical Pump

Dayton Pump & Mfg. Co. has a filling-station pump that has a drawer-like construction. When one part or section needs servicing, you don't have to tear down the whole works to repair it.

All working parts are built up on individual sliding shelves. A defective part can be disconnected, pulled out like a drawer for repair and slid back in place with a minimum of time and effort. The panels that enclose the pump are removable, so it is accessible from all sides. The company is at 500 Webster St., Dayton, Ohio.

• Availability: immediate.

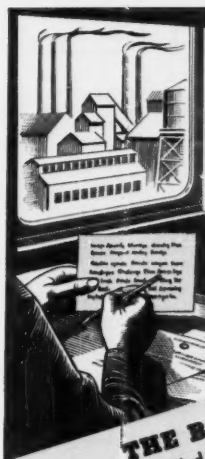
P. S.

Electric hedge trimmer that you can operate with one hand is in production at King Pneumatic Tool Co., Chicago. The trimmer works at any angle or position; it's equipped with a safety-switch.

Refill kit puts new life into run-down ball-point pens. Kit contains refill cartridge and eight adapters; parts fit most national-brand pens. The Fisher Pen Co., the manufacturer, is at 3658 N. Broadway, Chicago.

Portable uranium detector with Geiger-Mueller counter is built for prospecting. It's about the size of a lunch-box, contains all the works for sensing radioactive minerals. Made by Radiation Counter Laboratories, Vermilion, Ohio.

Hardening powder toughens up steel tools without special equipment. The tool is heated, dipped into the powder, heated again and cooled in water. Wilson Carbon Co., 60 E. 42nd St., New York, calls the powder Hi-Speed-It.



The Case of HAND IN HAND BUSINESS- GETTING!

THE BARRETT DIVISION

Allied Chemical & Dye Corporation

Outstanding manufacturers of Asphalt Shingles, Roll Roofings and Siding, Built-Up Roofings, Waterproofing and Damp-proofing, Protective Paints, Roof Cements, Cool Tar, and other building products.

SINCE 1912, BARRETT DIVISION AND DODGE REPORTS HAVE WORKED HAND IN HAND TO MARKET ABOVE PRODUCTS TO CONSTRUCTION INDUSTRY. BARRETT LETS DODGE'S DAILY CONSTRUCTION NEWS HELP THEM CONTROL AND DIRECT FIELD SELLING FORCE. AGGRESSIVE, SUCCESSFUL SELLING METHODS OF BARRETT DIVISION PUT STRONG EMPHASIS ON DEMONSTRATING PRODUCT SUPERIORITIES FOR PARTICULAR PROJECT BEING SOLICITED. "DODGE REPORTS LEAD OUR SALESMEN STRAIGHT TO ACTIVE JOBS IN TIME TO FIT SALES TALK TO SPECIFIC NEEDS OF PROSPECT," SAYS BARRETT. BARRETT DIVISION PRODUCTS AND DODGE REPORTS ARE POWERFUL PARTNERS SERVING INDUSTRY FAITHFULLY.

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No. 6 in a series from the Dodge Case Record file



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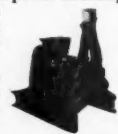


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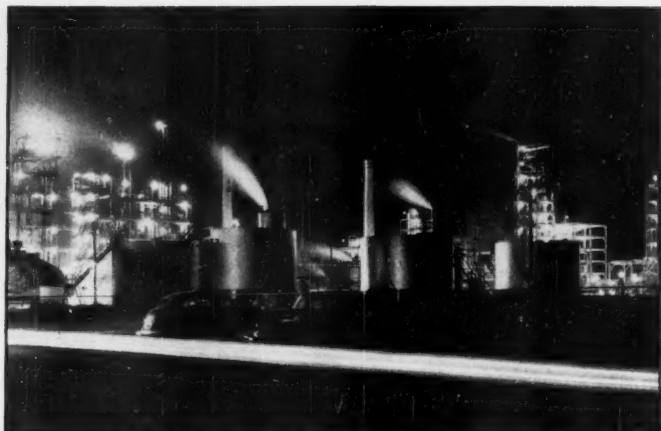
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for ultra-fine grinds

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CITIES



REFINERY of Standard Oil (N. J.) at Baton Rouge pours millions into town's . . .



. . . Back streets and . . .



. . . Main streets

Baton Rouge: Study in Oil

An Esso plant dominates this capital of Louisiana. But, like a magnet, its vast operation—plus the city's good location—has attracted other industries to the area.

Seventy miles north of New Orleans on the winding Mississippi lies Baton Rouge. As well as being the capital of Louisiana and the home of Louisiana State University, Baton Rouge is one of the largest oil-refining centers in the South. This week the once-sleepy southern town celebrated its 250th anniversary in the midst of rosy prosperity.

Baton Rouge has a long way to go to be a big city (its population is 120,000).

It can boast of but one skyscraper (Huey Long's State Capitol, which looks forlornly out of place on the edge of town). But it is living proof that one expanding industry, without any great help from the city itself, can nevertheless make things hum.

• **Magnet**—Anniversary or no, Baton Rouge dates its modern economic life from Apr. 14, 1909. On that day representatives of John D. Rockefeller's

What YOU Can Do About Cancer



Great strides have been made in diagnosing and treating cancer. While it is still the second major cause of death in the United States, the mortality rates from some forms are declining.

Medical science is constantly at work increasing its knowledge of this disease. Better techniques for diagnosing cancer exist today than ever before. For example, a recent development has raised the percentage of correct early diagnosis of one type of cancer from 36 to 95 per cent.

Advances in hormone and chemical therapy have proved valuable in relieving pain and prolonging life. Improved methods of treating the disease have cured, in some instances, cases that formerly would have been considered hopeless.

Present knowledge can be fully utilized only as more people learn the warnings of the disease and come for examination without delay. Cancer must be discovered early and treatment promptly started to get the full benefit from medical science.

1. Early Recognition

It is wise for everyone, and especially those past 35, to keep alert for cancer's danger signals. The American Cancer Society believes that many thousands of lives could be saved every year if cancer's warnings were recognized early and treated immediately.

2. Prompt Attention

When any of these warnings appear, prompt medical attention is advisable. The doctor may suggest a more complete examination at a Cancer Clinic or by a specialist. It is encouraging to know that the majority of these examinations reveal that cancer is not present.

3. Proper Treatment

If cancer is discovered, the specialist will explain that the best treatment is surgery or radiation. He will point out that patent medicines for cancer and so-called "cancer cures" are often dangerous, and may give cancer time to spread.

These Are Cancer's "Danger Signals"

1. Any lump or thickening especially in the breast, lip or tongue. 2. Any irregular or unexplained bleeding. 3. A sore that does not heal, particularly about the mouth, tongue, or lips. 4. Noticeable changes in the color or size of a mole or wart. 5. Loss of appetite or continued indigestion. 6. Any persistent hoarseness, cough, or difficulty in swallowing. 7. Any persistent change in normal elimination.

Pain is not usually an early symptom of cancer.

To learn more about this disease, write for Metropolitan's free booklet, 49-S, "There Is Something YOU Can Do About Cancer."

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TO EMPLOYERS: Your employees will benefit from understanding these important facts about cancer. Metropolitan will gladly send you enlarged copies of this advertisement — suitable for use on your bulletin boards.

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Type of Application

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Construction
—Extra Years
of Service"**

CLARAGE FAN COMPANY
KALAMAZOO, MICHIGAN
Sales Engineering Offices
in All Principal Cities

Standard Oil Co. broke ground for a new oil refinery. Today, that refinery, grown to vast proportions, and stretching over 1,110 acres, is the backbone of the economic life of the entire area.

Last year the refinery, a unit of Esso Standard Oil Co., paid its 9,000 workers \$36-million in wages. And like a magnet it has attracted other compatible industries around it.

• **High Average Income**—Together, these industries have boosted Baton Rouge to a top economic spot in Louisiana. The area, though it contains only 10% of the state's population, accounted for 16.2% of Louisiana's total retail sales in 1948. The area's average per-capita income ranks second to that in New Orleans. (Baton Rouge businessmen call this comparison misleading; they say there are so few individual millionaires in their city to pull the average up that the "average" man's income is actually Louisiana's highest.)

A stabilizing influence in the city's life are the thousands of employees on the state payroll, who draw their salaries good times or bad. And local businessmen do not overlook the spending habits of 10,000 university students.

• **High Ground**—The choice of Baton Rouge as a site for an oil refinery was due to a combination of natural factors—not to any man-made promotional schemes. Baton Rouge lies in an excellent spot on the Mississippi. It is the first high ground going up river from the Gulf—and therefore not subject to the Mississippi's floods. It is also a central spot in relation to the oilfields of Louisiana and Texas. And the river's deep water at this point makes easy ocean transportation to all parts of the world.

Originally the refinery was a simple "skimming" plant running 2,000 bar-

rels of oil a day and delivering three products. Today it turns out dozens. More than a billion barrels of oil have been run through the Baton Rouge refinery since its founding—a mark that few other refineries can approach.

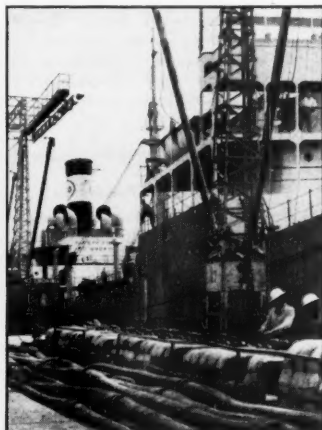
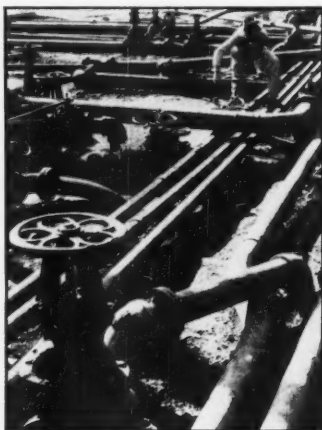
• **Transportation**—Crude oil from northern and southwest Louisiana, from Arkansas, Mississippi, and east Texas is delivered to the plant largely by pipeline. Finished products go out the same way—as well as by tanker, river barges, tank cars, and tank truck. The Plantation Pipe Line, subsidiary of New Jersey Standard, starts at Baton Rouge and distributes refined products through the South and East, and as far north as Richmond, Va.

Esso itself does not drilling in the state. Humble Oil Co., another subsidiary of Standard Oil Co. (N. J.), and California Co., subsidiary of Standard Oil Co. of California, share the honors in this field.

• **Pioneer Developer**—The Baton Rouge refinery has been outstanding as a pioneer in new developments for the Jersey Standard family. It was here that Standard Oil Development Co. first conducted experiments in making synthetic rubber from petroleum. Later the reservation boasted the first full-scale plant to make Perbunan (Buna-N), and the first plant to produce butyl rubber.

The refinery's pioneering fluid-catalytic cracking plant also made possible the large-scale output of 100-octane aviation gasoline. And its big "severe-cracking" plant is a major producer of butadiene, ethylene, and propylene.

As you drive along Plank Road in North Baton Rouge, the refinery stretches for miles. Here's a queer twist: Inside, in an area devoted to turning out fuels for a mechanical age, transport-

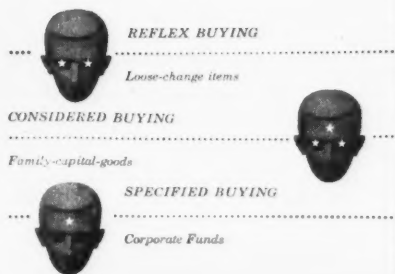


TRANSPORTATION of products into and out of Esso's Baton Rouge refinery is handled by many means. Pipelines (left) bring in much of the crude oil from the fields and deliver refined products as far north as Richmond. For international shipping, the port's deep harbor can handle ocean-going tankers with ease

ADVERTISING SPACE/TIME:

they work harder if the
rest of the team is pulling

- 1. In the Package-goods Field:** People will not give much conscious thought to small-change items. Advertising has to put a "feeling" into their sub-conscious and then depend upon store display. Because reaction is hidden, plans based upon past experience or upon what consumers say they will do sometimes go wrong. The best way to eliminate costly errors is to stick to sampling, couponing, test cities and inventory checks. They take a big bite out of the budget, but they make space/time costs do more work per insertion.
- 2. In the Home-utility Field:** Building materials, home appliances, furniture and other things that cost a lot of money get conscious attention from the buyer. This makes a big difference in the advertising planning. A larger part of the budget must go into booklets, movies, slide-sellers and other direct sales helps. These things make it possible for interested readers/listeners to get their questions answered. That increases the value of space and time advertising by creating more sales.
- 3. In the Industrial Field:** Buying is an intellectual process in the corporate field. Laboratories and librarians collect data regardless of whether or not your space advertising is helpful. Good advertising planning in this field calls for more money spent in the planning and preparation stages. Advertising Departments need ample executive staffing to get the cooperation of all other departments; agencies need fees to support the field work, careful writing and supplementary data necessary for selling more goods per page of advertising.



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examples of good planning: This agency serves more than 100 clients, covering products from potato sticks to turbines. How we organize to meet the needs of each client, and his particular promotion problem, is worth knowing. Interested?

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IN TELEVISION PRODUCTION

a manufacturer will average up to one million soldering operations each day. Maximum efficiency demands the correct alloy, strand size, core size and type of flux in the solder used. Even a slight deviation from the proper solder would result in substantially increased costs.

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The average industrial user of flux-core solder does not have as many soldering operations as a television manufacturer; nevertheless, it may still be a high cost factor in your plant. Call a Kester Technical Engineer today; let him analyze your complete soldering procedure and you will be assured of peak efficiency. There is no obligation, of course.



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PRODUCTS made by Baton Rouge refinery number in the hundreds. At left, a worker hefts a cake of grease. Right, lubricating oil in drums is loaded into railroad boxcars

tation is largely by bicycle or mule cart. Sparkplug-using autos are severely restricted, due to the high inflammability of gasoline vapors escaping from the refinery.

• **Chemical Attraction**—It was in its expansion into the chemical field that the Esso refinery attracted around it other plants which could make use of its products. Only two sizable Baton Rouge industries do not stem from petroleum or petroleum products. One is Henry Kaiser's Permanente Metals Corp.'s alumina plant. The other is a plywood plant of Mengel Co.

The Kaiser plant, built during the war, gets its basic bauxite from South America, and ships out its alumina to Spokane for further processing into pig aluminum. A new \$1-million dock for handling bauxite at the plant was finished in 1948.

• **Petroleum Is the Key**—The other industries—including Ethyl Corp.; Solvay Process Co.; Consolidated Chemicals Industries, Inc.; General Chemical Co.; Copolymer Corp.—all draw more or less heavily on products made by the refinery.

Ethyl Corp., jointly owned by Jersey Standard and General Motors, moved to Baton Rouge largely for the same reasons that Esso did—plus the fact that it can get ethylene from the refinery.

• **Close to Raw Materials**—Ethyl's location in Baton Rouge also puts it close to sources for other basic products needed in making its antiknock compound. Sodium, for example, is produced from common salt piped in as brine from the wells of Solvay Co., 20 miles away. The salt is purified, evaporated, dried, placed in batteries of electrolytic cells, and decomposed to sodium and chlorine.

The Ethyl plant was built in 1937, and has been expanded continually

since. A \$40-million postwar expansion program is still under way.

Copolymer Corp., an affiliate of Armstrong Rubber, draws materials from Esso to make "cold rubber."

Consolidated Chemicals and General Chemical both have relatively small plants which turn out aluminum sulphate for the manufacture of fertilizers.

An industry that benefits from the Baton Rouge boom is Gulf States Utilities: It will spend \$27-million this year to expand its facilities to serve the city's industries. Right now, two shifts a day are hastening the completion of a huge, 500,000 lb.-per-hour steam boiler which will furnish process steam for Esso and Ethyl.

• **The City Pushes Out**—As of January, 1949, Baton Rouge extended its city limits to take in all of North Baton Rouge, where the Esso plant lies. This allowed the city to boast of a considerably larger population, and, by means of a complicated arrangement, did not raise Esso's taxes. Actually, since the refinery reservation is totally self-contained, the city has to furnish it with few services.

Even though thriving industries have sprung up around Baton Rouge, the city itself retains many of the aspects of any nonindustrial southern town of similar size.

The city's growth has been slow and steady; there has been no great influx of workers from distant parts. Nearly all the labor force has come from nearby parishes, and is predominantly Louisiana. Neither has the city adopted the go-getting ways of its sister to the south, New Orleans. It has no busy organization seeking to bring in new industries.

"I reckon," one Baton Rouge businessman admitted recently, "if you took away the Esso refinery, Baton Rouge would just 'bout fold up."



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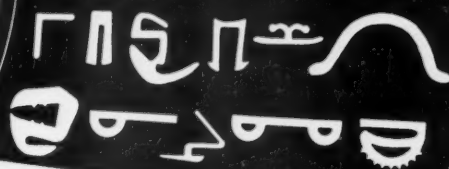


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H. Simpson	81,300,000
Leo Bauer	79,510,000
W. D. Hamilton	77,400,158
C. B. Rathbone	80,000,500
G. M. Campbell	82,100,001
C. W. Rathbone	79,210,045
	81,910,000

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Bookmaking on amount of ore to be carried ends as . . .

Lake Shipping Starts Early

Mild winter means movement of ore to down-lake ports has a 10-day start over last year. Prospects are that carriers will equal 1948's carry-down of 82.9-million tons. Coal cargoes will be less.

Every winter the Great Lakes shipping fraternity indulges in the time-honored pastime of bookmaking. But in Cleveland the betting is on iron ore.

Specifically, the rail and lake shippers, ore producers, and coal transshippers bet on how much iron ore will move down-lake the next summer (picture). Just about every company that has any connection with the shipping has such a book. The bets range from \$5 to \$25. Some books add up to as much as \$1,000; the average is \$200.

• **Movement Starts**—This week the books for next summer were closed. Most of the 320 ships of the iron-ore,

coal, and stone-carrying fleet moved out from their winter berths. Because of a mild winter, they are ahead of last year's break-away by a good 10 days. Given the fine weather of last summer, this early start may mean that the ships will better last year's carry-down of 82.9-million tons.

The first ship will be locked through the Soo (the Sault Ste. Marie canal connecting Lake Superior with the lower lakes) a full week ahead of last year. By mid-April, the carriers will be steadily dumping ore in the down-lake areas.

• **Higher Carryover**—The carryover of ore this year on Apr. 1 will be 17.5-mil-



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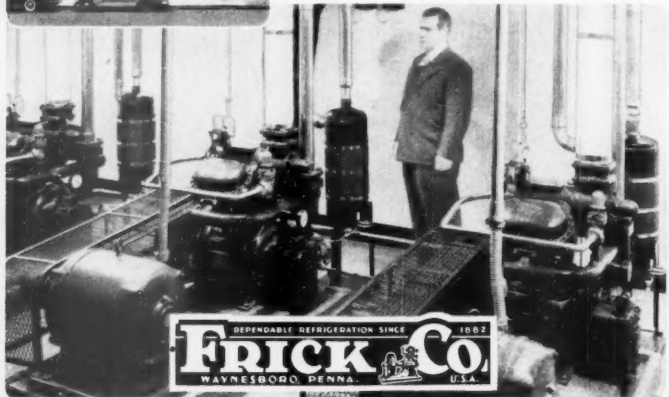


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The new building of Maryland's largest broadcasting and television station, at Baltimore, is air conditioned throughout with three Frick compressors, each having four cylinders, as shown below. This fine installation won the 1948 Building Trades Award for the Paul J. Vincent Co., Baltimore Distributors for Frick Refrigerating, Ice-making and Air Conditioning Equipment.

Enter your order now for the air conditioning system you need. Consider Frick NEW "ECLIPSE" compressors: for details write Frick Company, Waynesboro, Pennsylvania.



DEPENDABLE REFRIGERATION SINCE 1892
FRICK CO.
WAYNESBORO, PENNA. U.S.A.
EQUIPMENT

lion to 18-million gross tons. That's 2-million tons more than was on hand last year. So there's little danger of stocks reaching the record low of May 1, 1948—13.5-million tons.

But this doesn't mean there will be a deliberate slackening in shipments this year. Mine operators and mill owners have two sound reasons for wanting to bring down as much ore as possible:

(1) Consumption during January reached a level equal to 89-million tons per year; at that rate, mill yards and storage bins would soon be empty.

(2) Neither mill operators, ore producers, nor shippers can rest easy until the inventory consists of a six-month supply—a point not reached since before the war.

• **Less Coal**—A couple of factors this season will help ease the strain on the shippers (most of the large fleet owners are also ore and coal producers). One of them is the carryover of coal in stockpiles at upper-lakes docks. Some estimates put this coal carryover at 2-million tons, others at much more.

Thus one thing is sure: The amount of coal shipped to the head of the lakes won't come up to last year's 53.2-million net tons.

Some industries in the Northwest will undoubtedly stockpile coal early in the shipping season as a safeguard against a miners' strike three months hence. But guesses are that the over-all shipment will fall short of last year's figure by 3-million or 4-million tons. With 70-million to 85-million tons (about two-months' supply) of coal above ground, John L. Lewis' present mining "holiday" isn't expected to have much effect on lake shipping.

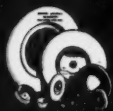
• **More Iron Ore**—Less coal to carry means that the ships can carry more iron ore. Reason: If they don't have to carry coal, they can make the return trip faster, will save the time ordinarily lost in loading and unloading coal. All told, each ship should be able to add four or five round trips this way.

Bad weather will also be less of a problem to the shippers this year than in the past, for more than 100 ships in the ore-carrying fleet are now equipped with radar. Only extreme weather conditions will keep them from moving.

• **Fleet Same Size**—The number of ships in the bulk-cargo fleet will be about the same as last year. Permission has been given for ships for Canadian registry to carry ore to Lake Erie docks again. That adds about 40 to the fleet.

However, those ships do not operate as steady ore-coal carriers, because Canadian shipowners naturally prefer transporting grain. They rarely move ore for more than four of the eight months in the season.

• **Prices Higher**—Ore buyers will have to pay a higher price this year. Posted price for 51% natural content non-



GRINDING WHEELS



GRINDING MACHINES



REFRACTORIES



NORBIDE



NON-SLIP FLOORS



LABELING MACHINES



ABRASIVE PAPER
AND CLOTH...
SHARPENING STONES



Another NORTON "FIRST"

THIS time it's a ceramic surface plate—an entirely new type of plate for toolmakers and inspectors to use in making their precise measurements. This Norton-developed ceramic plate has distinct advantages over previous types of surface plates including: (1) a longer-lived surface, (2) a smoother surface, (3) a flatter surface and one that stays flat. It's a plate that will not warp or deform, will not sweat or corrode, will not deflect under load.

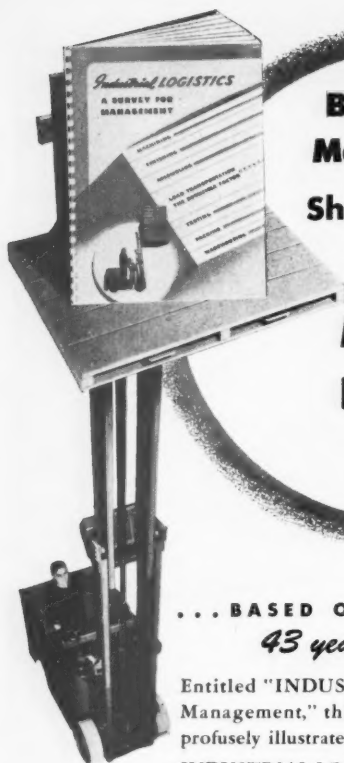
The development of this unique surface plate is typical of the progressive research that has made Norton an acknowledged leader—not only in abrasives and grinding machines, high temperature refractories and a wide variety of wear-resistant materials.



The main Worcester plant of Norton Company—world's largest producer of abrasive products

NORTON COMPANY • WORCESTER 6, MASS.


(Behr-Manning, Troy, N. Y. is a Norton Division)



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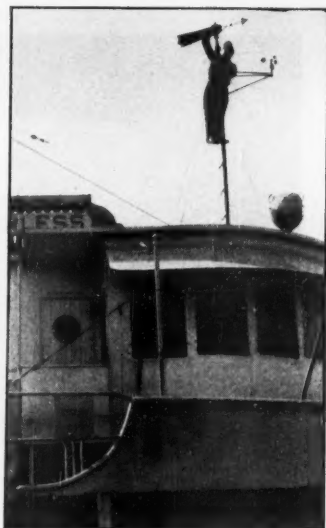
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FAVORABLE WEATHER: The Benjamin F. Fairless, one of lake carriers owned by Pittsburgh Steamship Co., a U. S. Steel subsidiary, being fitted out for 1949 season

Bessemer Mesabi ore is now \$7.20 a ton. Last year's early-season price was \$6.20 a ton. Around midseason, an increase in handling costs at the upper-lakes area boosted that price to \$6.33 a ton.

The price is for the ore at rail-of-boat at lower Lake Erie docks. To it the buyer must add the handling and transportation charges from that point to the mill yard. These costs may rise by the time the season is well under way (the railroads are making an effort to get a rate boost on iron ore).

Cleveland Cliffs Iron Co. took the lead in hiking the price of ore to its present level soon after the close of the 1948 shipping season. All other established ore suppliers soon followed suit.

Ability of the mines and open pits in the Lake Superior region to supply all the ore that can be carried this year is taken for granted. Production at Steep Rock (Canada) fell to a little more than 600,000 tons of its high-quality ore in 1948. But it's expected that that amount will be doubled this year, with last year's mining difficulties solved.

• **New Customer**—Ore producers already have customers for every ton that can be delivered to lower-lakes ports. But a new customer is now pounding on their doors: Kaiser-Frazer, which has got the Browning Steamship Co. of Detroit to carry its ore.

It will take about 750,000 tons of ore to operate the Cleveland furnace that K.-F. got last year from the government. Republic Steel is now operating the furnace under an arrangement with K.-F. But neither K.-F. nor Cleveland ore



now produced by *International*

Another achievement of research and engineering development work . . . 99.9% pure *Potassium Chloride* . . . is now being produced by International for the chemical industry.

This extremely high grade *Potassium Chloride* is being manufactured in a recently-completed large addition to the refining plant at International's Potash Mine at Carlsbad, New Mexico.

Potassium Chloride is used in the manufacture of Potassium Hydroxide and Potassium Carbonate, two basic potash chemical compounds from which an almost endless variety of potassium end-product chemicals are made for use in preparing many industrial and consumer products.

With the expansion of facilities at the potash plant to produce both agricultural and chemical grades, International Potash will be widely used in industry and on the farm for the manufacture of a great variety of products that are essential in the daily life of all our people.

Shipments of agricultural grades of International Potash, starting in 1940, met the national emergency created by war-time stoppage of imports and helped to make America independent of foreign supplies. The potassium plant foods produced at International's Carlsbad Mine have been a vital factor in the growth of the huge quantities of food and fiber crops so urgently needed in recent years.

Above the photograph of the International Potash Mine and Refinery is an enlarged outline drawing of the portion of the plant recently constructed for the production of Potassium Chloride

International Minerals & Chemical Corporation  **Chicago 6**
General Offices: 20 North Wacker Drive



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Throughout the Nation
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B·O·A·C  **BRITISH OVERSEAS AIRWAYS CORPORATION**

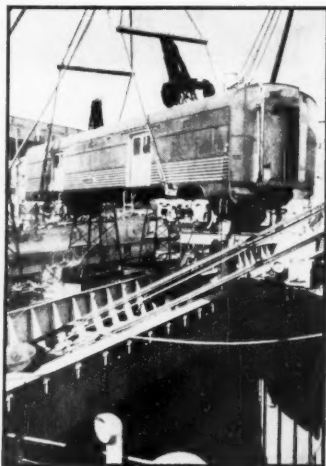
companies have said where such a supply of ore is coming from. The assumption is, though, that K-F. will get ore through Republic Steel's sources, but will handle its lake transportation through Browning.

TRANSPORTATION BRIEFS

Auto scrappage last year took only 855,577 wornout vehicles off U.S. roads, as against a normal yearly average of 1.6-million. But 307,867 trucks were scrapped last year, says R. L. Polk & Co., compared to the usual 250,000 a year.

Truckloadings in January experienced a seasonal drop of 5.4% from December, according to American Trucking Associations. But the 2.7-million tons hauled bettered January, 1948, by 2.9%.

Pan Am has rented space in T.W.A.'s terminal building at Los Angeles Airport. That will cut out a two-mile haul now required to transfer cargo from Pan Am's foreign flights to domestic lines.



From Budd to Brazil

First cars of an order for 63 stainless steel railroad cars swung aboard the S. S. Beljeanne in Philadelphia last week bound for Brazil. The cars were built by Budd Co. in Philadelphia for the Central Railroad of Brazil. The order included de luxe and second-class passenger cars, roomettes, and diners—all air-conditioned. Budd says they will be the first air-conditioned cars to roll on Brazilian track. The order, the company believes, is the biggest ever filled by a U. S. builder for a foreign road.

BUSINESS WEEK • Mar. 19, 1949



Here's WHY so many plants are **HEADING OHIO WAY**

Dozens of firms have found "Ohio has it" — fuel, resources, transportation, labor that's ample and friendly, markets close at hand.

Ohio may well be the spot for that plant of yours. We have plenty of facts and figures, graphs and pictures, to show you why. Detailed, intimate data covering the 555 communities we serve are yours to help you in your plant location study.

Write, wire, or phone today and we'll have our industrial agent tell you just how Ohio stacks up on the points that interest you most.

This plant-location analysis is an Ohio Power service to industry. Comprehensive, objective, and entirely confidential, it doesn't obligate you in any way. Can we help you?



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Commercial-Industrial Dept. • General Office • Canton 2, Ohio

On request we will send industrialists a large map of Ohio and surrounding states showing our power lines and the principal natural resources of the area in eight colors.



RICH IN RESOURCES

Salt, brines, dolomites, limestone, clays . . . all these and more . . . good quality and cheap.



CENTRAL LOCATION

Strategic to major markets . . . central to leading sources of industrial supply.



TRANSPORTATION

Eleven leading railroads . . . motor freight lines . . . 18,490 miles of improved state highway . . . airline service everywhere . . . excellent lake and river transportation.



AMPLE FUEL

Extensive fields of good cheap coal. Oil, too, and natural gas abound.



ABUNDANT POWER

Cheap, dependable electric power for all . . . and our lines will deliver 275,000 more kilowatts of it by 1951.

555 FRIENDLY TOWNS

From small communities to a city of 120,000 . . . 95% native-born . . . intelligent, home-loving, able.

Another Example

OF GARDNER-RICHARDSON
PACKAGING INGENUITY ...



The "RING-STYLE" carrier for six bottles of Coca-Cola

IT SOLVED A PROBLEM FOR THE BOTTLERS!

One of the outstanding merchandising successes in recent years is the six-bottle carry-out package for Coca-Cola. But with it came a real problem for Coca-Cola bottlers—filling and refilling these carriers. And that's where Gardner-Richardson stepped in and did a pioneering job. We developed a new type carrier—the "Ring Style"—that speeds hand loading, and assures smooth, uninterrupted machine loading.

But more than this, we built other practical features into the "Ring

Style" carrier to cut replacement costs, lessen bottle chipping and breakage. These include rounded "no crush" corners . . . separate bottle compartments with solid bottom support . . . 4-ply center partition of sturdy paperboard (formulated and made in Gardner-Richardson's mills) that prevents handle "tear-outs."

Today, "Ring Style" is saving $\frac{1}{4}$ to $\frac{1}{2}$ in over-all carrier costs for Coca-Cola bottlers. Today the "Ring Style," of all new type carriers, is the volume leader in this field.

CAN WE HELP YOU? Do you have a product that's "hard to package"? A product that has never been packaged? A new idea that needs packaging, or an old package that needs re-designing to meet today's self-serve, self-merchandising trend? Let Gardner-Richardson packaging experts tackle your problem. No obligation, of course. Write, today.



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Manufacturers of Folding Cartons and Boxboard, Middletown, Ohio

Sales Representatives in Boston, Chicago, Cleveland, Detroit, New York, Philadelphia, Pittsburgh, St. Louis.



CONSOLIDATED FREIGHTWAYS
BOSS, Leland James, links his firm's growth
to growth of Northwest

Truckers' Lift

Carriers setting their rates
to lure Northwest freight from
the rails. Frozen food load from
the region helps.

Truckers are going to town in the Pacific Northwest—and not just the towns in that territory. Big truckloads of northwestern produce are rolling into Minneapolis, Chicago, even clear across-country to New York and Boston.

Two factors are sparking the boom in trucking:

(1) Higher rail rates have handed truckers a hefty chunk of Pacific Northwest business.

(2) The frozen foods industry in this area is making new cargo for the motor transports.

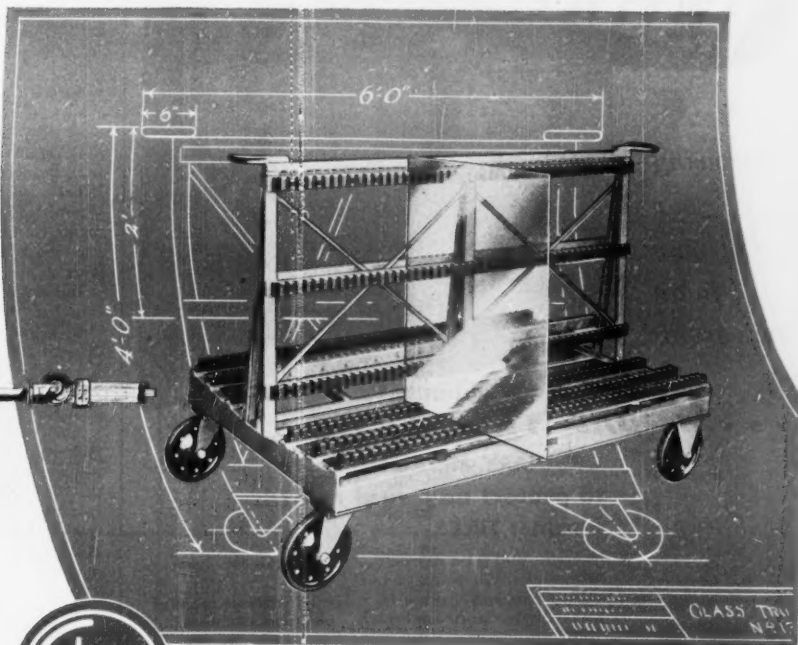
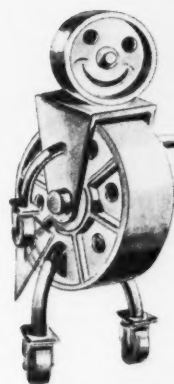
• **Good Fishing**—The freight-rate advantage is the bait that caught the truckers a big haul of frozen fish. A refrigerated truck of Kenal Truck Lines (St. Paul) has already reached New York with 36,000 lb. of frozen halibut, salmon, and sailfish. San Juan Fishing & Packing Co. (Seattle) was the shipper.

This is being followed at the rate of four to five shipments a week by major northwestern fish houses.

• **Differentials**—In all, the Northwest ships more than 20-million lb. of frozen fish a year. Some goes to the Midwest, but about 75% winds up on the Atlantic Seaboard. There it's up against price competition from Atlantic fish—him, of course, have a shorter haul.

Several rail rate hikes have widened the differential between the cost of getting the Atlantic and Pacific fish to eastern

PROBLEM To Handle **FRAGILE** Products Safely



SOLUTION



Special Materials-Handling Trucks

"Look, Mr. Executive, whether your problem is moving glass, paint, food, acids, barrels or boxes, or some special product that you alone manufacture, it pays you to consult Colson. They specialize in special problems'."

The Colson Corporation designs and manufactures casters, wheels and built-for-the job hand trucks of all kinds to meet both standard and special materials-handling problems. There are specially designed units for Department Stores, Hospitals, Industry, Railroad Terminals and Warehouses. Colson trucks and casters are easy on the products they carry, easy on your floors. They have that load-floating roll-easy quality that makes light of heavy loads.

Whether you're interested in one set of smooth, quiet casters to make an old truck work like new—or a fleet of a thousand new hand trucks, Colson engineers can help you select—or design—equipment that will answer your problem—exactly. Write us, or consult the yellow pages of your phone book for the local Colson office.



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You're
throwing
your
business
in an
incinerator...



...If you trust

ORDINARY METAL FILES to protect any vital records against FIRE!

Records *have* been burned! ... Businesses *have* been ruined! ... Will yours be next?

Fire insurance cannot be collected without proof of loss records. More important, you could not keep your business operating without essential ledgers and papers. So, don't trust *ordinary metal files* that cremate records *instantly* in a fire.

4 out of 10 businesses that suffer a complete burn-out never reopen. Don't let that happen to you!



Safe, efficient Mosler Record Containers come in a variety of durable finishes to harmonize with your office.

HERE'S POSITIVE PROTECTION . . .

Mosler Insulated Record Containers. They provide constant, on-the-spot protection of a one-hour Underwriters' Laboratories, Inc., Class C, tested and approved safe—plus the convenience of a modern, efficient filing system. Insulated receding door locks over file drawers. Fire just can't get in ... yet, you can have this invaluable protection at a surprisingly modest price.

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markets. The current rail rate on frozen fish from Seattle to Chicago runs around 3¢ a lb.; to New York about 3.75¢ (these rates cover icing in transit).

Northwestern fish shippers have been trying to get the railroads to cut their rates. They argue that in a buyers' market they need some leeway to compete. So far they haven't had much luck with the railroads east of the Rockies.

• **Break**—The truckers, anxious to grab a piece of this cross-country haul business, have been watching the battle like hawks. Consolidated Freightways, Inc., headed by up-and-coming Leland James (picture, page 74), finally swooped down on the Interstate Commerce Commission, got approval for a rate of 2.85¢ a lb. into Chicago. This saves shippers about \$65 a car.

But a new break for truck shipments came last month. In February, the U. S. Circuit Court of Appeals in New Orleans ruled (in the Chester-Morton-Love case) that shrimp, though headless and frozen, remain classified as unprocessed fish and shellfish.

For truck rate-making purposes, this puts frozen fish in the same category as unprocessed agricultural commodities, livestock, and fresh fish. Trucks hauling these commodities only—unregulated carriers, as distinguished from common carriers like Consolidated—are exempt from ICC regulation and may set their own rates.

• **Still Cheaper**—So Kenal Truck Lines has now set these rates for fish from Seattle: to Chicago and St. Louis, 2¢ a lb.; to Pittsburgh and Buffalo, 2.5¢ a lb.; east of Pittsburgh and Buffalo, 3¢ a lb. These rates include refrigeration.

The same Consolidated that wrung the freight concession from ICC is cashing in on another development in the Pacific Northwest: the growth of the frozen fruit and vegetable industry. The Pacific Northwest produces over a third of the nation's output of these foods. Last year's pack in Oregon and Washington, as yet not officially counted, bulged about 10% to 12% greater than 1947's. That year the count was 140,955,952 lb. of frozen vegetables and 124,677,186 lb. of frozen fruit.

Consolidated Freightways was quick to see in that big pack a new avenue for business. It has set up a fast motor-truck service to get the frozen foods into midwestern kitchens—and get them there fast. It delivers through-truck shipments to Chicago and Minneapolis on the sixth morning after they leave Portland and Seattle.

The big loads start from the Pacific Northwest as 40,000-lb. cargoes. When they reach the Montana-North Dakota line, the haulers lop off 10,000 lb. to conform to state laws.

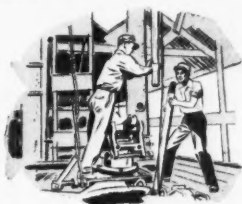
• **Progress**—The new service is just one more step in a 20-year career that has

The Columbia Gas System in 1948

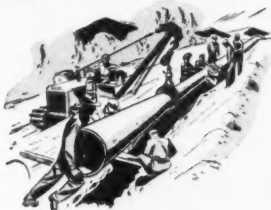
*served More People
with More Gas than ever before*

The Columbia Gas System is a completely interconnected, interdependent network of facilities for the

Production



Transportation



and Distribution



of Natural Gas

Highlights from the 1948 Annual Report of The Columbia Gas System, Inc.

The System expanded its capacity for service, spending \$51,513,267 for its construction and underground gas storage program.

The System delivered more than 246 billion cubic feet of gas last year to its customers in Ohio, Pennsylvania, New York, West Virginia, Virginia, Kentucky and Maryland. On each of 77 days during the year, the "send out" exceeded one billion cubic feet.

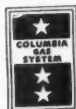
The System had in underground storage over 64 billion cubic feet on November 1, 1948, as compared to 47 billion at the same time the previous year.

Gas reserves available to the Columbia System reached nearly eight trillion cubic feet, the highest in history.

Ultimately, under present contracts and commitments, Southwest pipelines will deliver 875 million cubic feet a day to the System. At the end of the year the rate of delivery exceeded 525 million cubic feet a day.

Nearly 10,000 "gas people" operate the Columbia Gas System's \$411,000,000 plant, serving a public of 1,800,000 customers through retail and wholesale deliveries. More than 63,000 stockholders own this system which, in 1948, delivered the greatest volume of natural gas in its history.

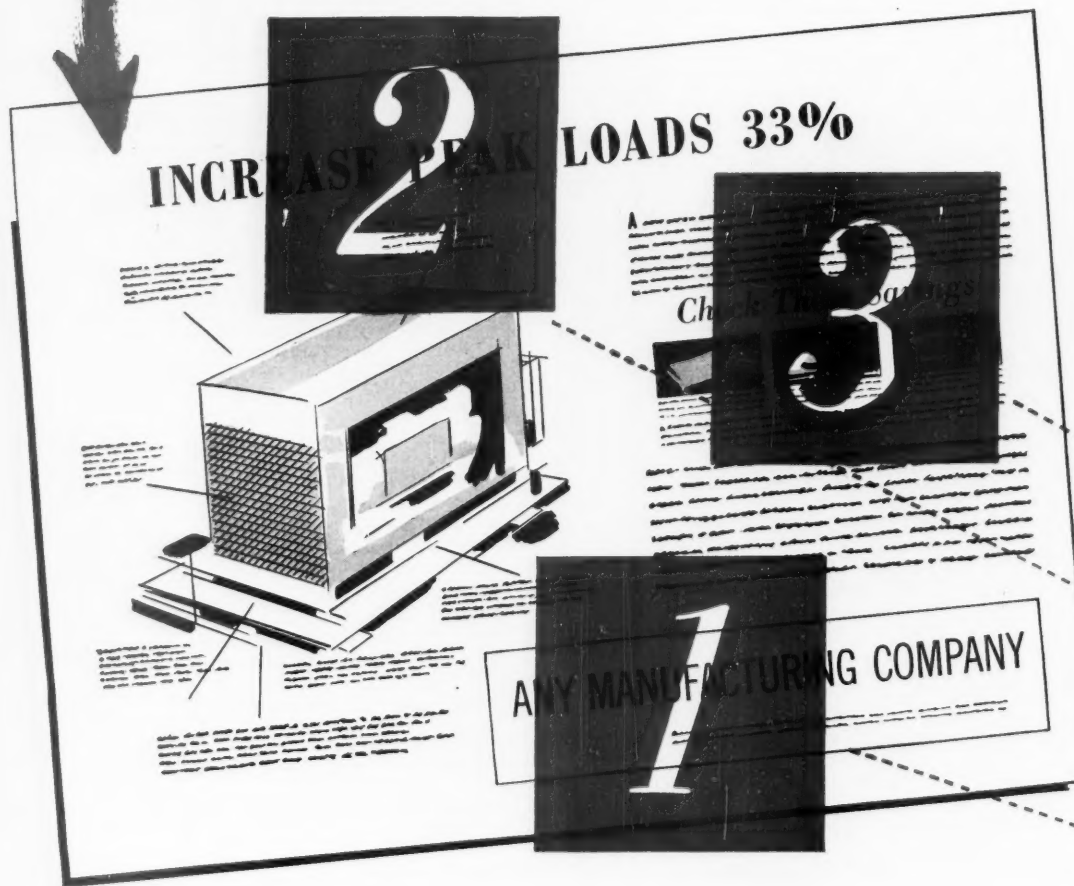
For full details, write for the 1948 Annual Report to The Columbia Gas System, Inc., 120 East 41st Street, New York 17, N. Y.



THE COLUMBIA GAS SYSTEM comprised of

The Columbia Gas System, Inc.	Columbia Engineering Corporation (the service company)	The Manufacturers Light and Heat Company	The Ohio Fuel Gas Company
United Fuel Gas Company	Atlantic Seaboard Corporation	Amerco Gas Utilities Company	Virginia Gas Distribution Corporation
Virginia Gas Transmission Corporation	Big Marsh Oil Company	Central Kentucky Natural Gas Company	Binghamton Gas Works
Cumberland and Allegheny Gas Company	Eastern Pipe Line Company	Home Gas Company	The Keystone Gas Company, Inc.
Natural Gas Company of West Virginia	The Preston Oil Company	Union Gasoline & Oil Corporation	Virginia Gasoline & Oil Company

This is what we mean by MECHANIZED



McGRAW-HILL

HEADQUARTERS FOR BUSINESS

publications

SELLING

HERE IS AN advertisement of the "ANY" Manufacturing Company. It is relieving the "ANY" sales staff of a lot of time-consuming chores that are preliminary to every sale. By speeding up the route to the finished order, it is cutting the cost of manufacturing sales. That's *Mechanized Selling!*

But let's be more specific. Let's say this is your advertisement. When a prospect reads it, you've made a selling contact. You've relieved YOUR salesman of the job of telling *WHO* you are—*WHERE* you are—*WHAT* you make.

If he's a prospect for the kind of a product you make, he'll want to know more *because it's his business to be interested*. So YOUR advertisement shows him what it looks like—how it works—what its salient advantages are. Another time saver for your salesman!

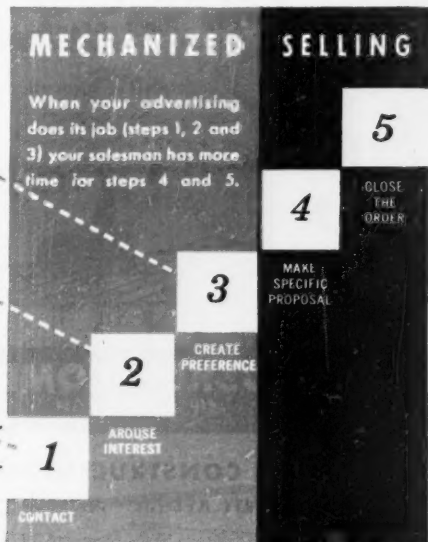
Then, when your advertising has created a favorable regard for your product by telling the prospect what it can do for him, you have opened the door for your salesman to put his specialized talents to work. You've saved him the burden of climbing those first three steps alone.

It costs your company "X"* dollars to put a salesman in a prospect's office. He's the skilled workman. His time is money to him, and to you. When you mechanize these preliminary steps you tell your story to a prospect at a cost that you can count in pennies. You are telling it *consistently* to more prospects than even the most agile salesman could hope to reach. *You are freeing your salesman, and his selling skill, for the pay off steps—the steps that get the order.*

That's Mechanized Selling at Work!

*Not all companies know what one sales contact costs, but recent studies show that it averages well above \$5.00 per personal call.

Have you read "ORDERS AND HOW THEY GROW"? It's a fast reading 24 page booklet, discussing Mechanized Selling in terms of its helpfulness to the man who sells. We'll be glad to send you a copy. We know you will find it of interest.



I N F O R M A T I O N

330 West 42nd Street, New York 18, N. Y.

Original

Original in every sense of the word are McCloskey custom-made industrial buildings. For this *original* rigid frame design was the *first* improvement in the basic structure of steel buildings ever made in this country. It is an improvement of *primary* importance to you as it makes possible a better building at less cost.



The McCloskey patented Rigidsteel design employs a rigid frame—has no overhead trusses. This gives you *extra* headroom for conveyor systems, equipment and storage space without additional height at the eaves. You

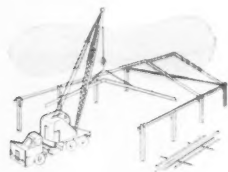


have less waste space to heat—less cover to install and maintain. You also get broad aisles, long spans without interior columns.

As specialists in single story buildings McCloskey engineers give you complete construction service. We furnish all plans and materials, supervise construction and quickly turn over to you a completed building custom-made to suit your operations. All this can be done weeks ahead of ordinary construction.

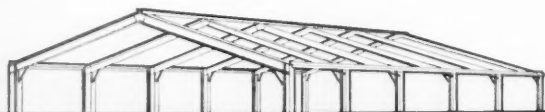


McCloskey Company has built more rigid frame industrial buildings than any other company in the country.



They have been planned and erected to suit a wide variety of manufacturers—most of them the leaders in their field.

If you are planning a new building why not find out how McCloskey Company can save you time and money. Write or wire us today.



McCLOSKEY COMPANY
OF PITTSBURGH

McCLOSKEY CONSTRUCTION COMPANY
3401 LIBERTY AVENUE • PITTSBURGH 1, PA.

brought Consolidated up into the top brackets of highway transport firms.

Today the company employs 2,400, has \$3-million worth of rolling stock—700 trucks, 500 trailers and semitrailers, 50 automobiles. Its 63 terminals are spread over the West; it has almost 1,000 agencies on its own lines, plus hundreds on nearby lines. In all, it operates over 11,500 route miles.

Besides its transport job, Consolidated, through a Portland subsidiary, Freightliner Corp., assembles its own trucks and equipment and sells equipment to other motor carriers.

Boss Leland James, who looks as though he could still take a turn at the wheel of a Consolidated Freightliner, has headed his company since it was started in 1929.

• **Life Work**—Operation of motor vehicles has been his life work. He has driven trucks for himself and for others. He was a founder and operating manager of Pacific Stages, in northwest Oregon. In 1929 he sold out. Through Consolidated Truck lines, a holding company, he joined in buying up interests in truck lines operating into Spokane, Medford, Pendleton, and eastern Oregon.

A few years later, his company became Consolidated Freightways, Inc. Meanwhile, the company had acquired a half-dozen more truck lines, plus additional operating rights to extend its operations over the West.

Nearly all of Consolidated's key officers have been with the concern since its founding. They are the principal owners. Among them are E. W. A. Peake, chairman; Jack Sneed, Jr.; Fred Leibold; L. E. Kassebaum; and Ray Doherty, vice-president; A. W. Schappert, controller; L. F. McCroskey, treasurer.

• **Future Prospects**—As the West grows, Consolidated is grooming itself for a bigger share of the region's business. It has just built a \$250,000 terminal at Oakland, Calif. It has plans under way for a \$300,000 terminal at Seattle. It is especially proud of its \$310,000 terminal in Portland—with its overhead carrier (drag-chain) system to speed distribution of shipments from long-haul to city vehicles.

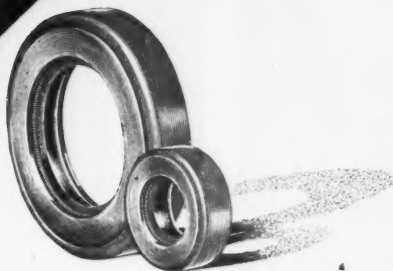
It has just completed the installation of 38 Hercules 265-h.p. diesel engines to give its trucks more constant speed over mountain highways. "We're not stepping up speed; just trying to maintain even speeds on mountain grades," says James.

• **Volume**—Last year Consolidated's gross revenue was more than \$16-million, up from 1947's \$15-million—and quite a step up from 1929's \$397,765.05. In 1949 James expects that he will gross \$18,000,000.

Frozen foods should help toward that aim.

**DID YOU READ THIS
AD LAST YEAR?**

MANY WHO DID FOUND NATIONAL
OIL SEALS THE KEY TO AN IMPORTANT
PRODUCT IMPROVEMENT



A competitive advantage for your product may be achieved through superior bearing protection. Compact, efficient National Oil Seals accomplish this purpose at a very low cost. They are adaptable to any product which utilizes shafts or bearings...for any size from 1/4-inch diameter to two feet. Investigate their advantages now.



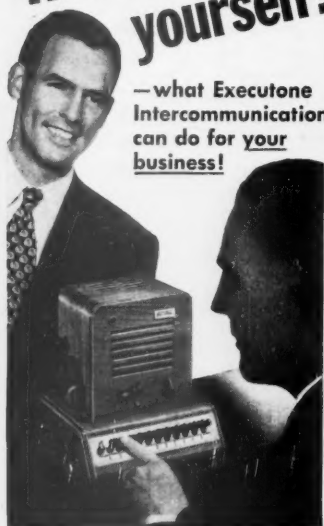
NATIONAL OIL & FLUID SEALS



National Oil Seals are products of the world's largest exclusive oil and fluid seal manufacturer. They are original equipment in most cars, trucks and busses...an integral part in many consumer products.

NATIONAL MOTOR BEARING COMPANY, INC., REDWOOD CITY, CALIFORNIA
PLANTS: Redwood City • Los Angeles • Van Wert, Ohio. OFFICES: Buffalo • Chicago • Cleveland • Dallas
Detroit • Houston • Los Angeles • Milwaukee • New York City • Philadelphia • Springfield, Mass. • Wichita

...see for
yourself!



—what Executone
Intercommunication
can do for your
business!

**Your Executone Distributor
will Arrange a Demonstration
in Your Own Office!**

HERE YOU ARE—instant voice contact with key personnel, *pushbutton* production control! Use it under actual working conditions! See how Executone gets *action*—increases executive output, increases labor productivity, *cuts* overhead!



Just One Feature of the
**Complete
Local Service
offered only by
Executone!**

• Your authorized Executone Distributor and his staff of engineers plan and install Executone Inter-communication that's *custom made*...based on your operation methods, layout, communication needs. He guarantees Executone *unconditionally*... with *immediate* servicing, standard parts and units for expansion and replacement.

Distributors in 106 principal cities. Mail the coupon—*now!* No obligation.

Executone

COMMUNICATION & SOUND SYSTEMS

Mail Coupon for Further Information

EXECUTONE, INC. Dept. C-2.

415 Lexington Ave., New York 17, N. Y.

Without obligation, please let me have—

☐ The name of my local Distributor

☐ New booklet, "How to Solve
Communication Problems"

Name _____

Firm _____

Address _____ City _____

IN CANADA—331 BARTLETT AVENUE, TORONTO

MARKETING



TELEVISION MANUFACTURING

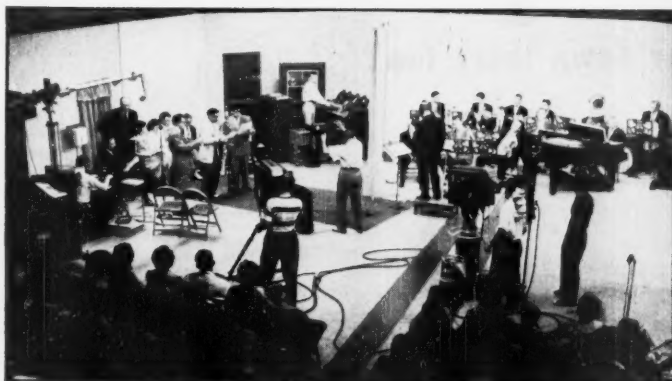
Avco's Crosley Division is major maker of television and radio receiving sets

In a Variety of Lines, Avco



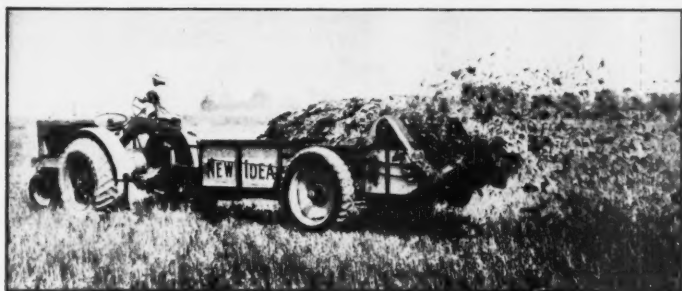
HOME APPLIANCES

Crosley Division's Richmond (Ind.) plant can turn out 2,000 refrigerators a day when operating on two shifts



TELECASTING

Avco's subsidiary, Crosley Broadcasting Corp., is enlarging its TV network inside its radio area. It plans a 5-station TV chain



FARM EQUIPMENT

This manure spreader was the start of what is now Avco's New Idea Division. Another big seller is its cornpicker

Stakes Out Its Markets

Aviation holding company that changed itself into a manufacturer bucks tough competition—and likes it.

Last week, Avco Mfg. Corp. took a decisive step in television selling: It cut the price of its Crosley 10-in. TV-plus-complete-FM combination set by \$40 to \$299.95.

This week, company engineers were working up figures to back the arguments for a government O.K. to buy the radio and television station WHAS in Louisville.

Next week, the company's two new television stations will go on the air in Ohio—WLWD in Dayton, and WLWC in Columbus.

• **No Lion Kicker**—Avco is a company on the move. Propelled by aggressive selling, it is moving where the competition could hardly be tougher. Giant corporations operate in each of its four major fields—radio and television manu-

facturing, broadcasting, home appliances, and farm equipment.

It strode into those fields with its eyes wide open. Now that the end of the sellers' market has put a premium on sales drive, Avco is surer than ever that it can grab more of the total business in these lines—without kicking any lions.

• **Blees' Lesson**—To understand what that means, you have to know a story that Avco vice-president William A. Blees tells. In the late 1920's Blees was one of a General Motors team of five who eventually pushed Chevrolet out ahead of Ford in sales. Captain of the team was R. K. White (then Chevrolet's sales promotion manager, now on Blees' staff at Avco).

"I can be pretty aggressive," Blees ad-



New Partners —and Going Strong

Any business or industry profits by forming a partnership with the State of South Carolina.

You supply the capital and management; South Carolina supplies: factory site, excellent banking facilities, mild climate, natural resources, electric power at reasonable rates, a splendid transportation system and, most important of all, people who take pride in their jobs.

Eight hundred and two new manufacturing and processing plants have discovered in the past three years that you can't beat such a combination.

Why not investigate? If South Carolina is good for the industrial leaders, as well as numerous smaller firms, the State may be just the place for your new plant, store or warehouse.

Write today for specific information concerning your particular business: L. W. Bishop, Director, Research, Planning and Development Board, Dept. 72, Columbia, South Carolina.



why not put the motor down there too?

This thought-provoking question led Byron Jackson to develop the revolutionary Submersible Pump—a centrifugal pump close-coupled to a mercury-sealed, oil-filled motor. The entire unit operates *completely submerged* in the well. No pump house is needed. Noise is eliminated. Suitable to any well site. These important advantages result from thinking ahead in pump design, determining fluid-handling problems with exactness, and translating these hydraulic theories into practical, pumping installations.



SINCE 1872, Byron Jackson has pioneered the application of centrifugal pumps... solved fluid-handling problems throughout the world... and grown in stature by virtue of the BJ way of doing business: "to send out a thoroughly good article, such as will insure the order being repeated."

Byron Jackson designs, builds, and installs every type of centrifugal pump for city, farm, and industrial requirements. Write today for an illustrated bulletin describing pumps to fit your needs.

Byron Jackson Co.

Since 1872
LOS ANGELES 54, CALIFORNIA
Offices and dealers in principal cities

Byron Jackson Co. manufactures centrifugal pumps, oil well tools, oil field specialties, and performs many technical oil field services.

Pump Division • Oil Tool Division
Patterson-Ballagh Division • BJ Service Division

PLANT LOCATIONS: Los Angeles, California • Houston, Texas
Bethlehem, Pennsylvania • Fresno, California

BJ
built-to-last
PUMPS

mits, "and now and then I got to talking quite a lot about Fords. So one day Mr. White said:

"Look, if you were hungry, and there was a loaf of bread in a lion's cage, and the lion was asleep, you might sneak in and get the bread. But you wouldn't kick the lion as you went past him, would you?"

Blees agreed this made sense.

"All right," said White, "Let's not make Mr. Ford mad. Let's just sell a lot of Chevrolets."

• **Goal**—This strategy that Blees learned at Chevrolet fits right in with what Avco is trying to do.

In what it calls its Planned Diversification, Avco has chosen to spread into several balanced lines—rather than to concentrate in any one. It wants to be a big, but not necessarily the biggest, frog in each puddle it has picked.

Executive vice-president Raymond C. Cosgrove (cover) blinks from behind his big horn-rimmed glasses to tell you: "We want to be at least a 10% factor in each industry we're in."

• **How to Get There**—Thinking out loud, Blees says:

"We sell 7% or 8% of the total refrigerators sold, a small percentage of ranges, about 5% of radios. As for television, that's hard to say because it's in such a state of flux.

"If we sell eight refrigerators out of 100 now, and then sell four more, our sales rise 50%. Our competitors probably won't notice it, since the four sales we'll gain will be taken from several companies. I'm not here to kick lions, but there's no harm in taking the loaf of bread."

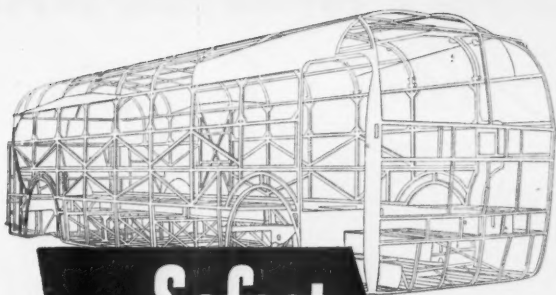
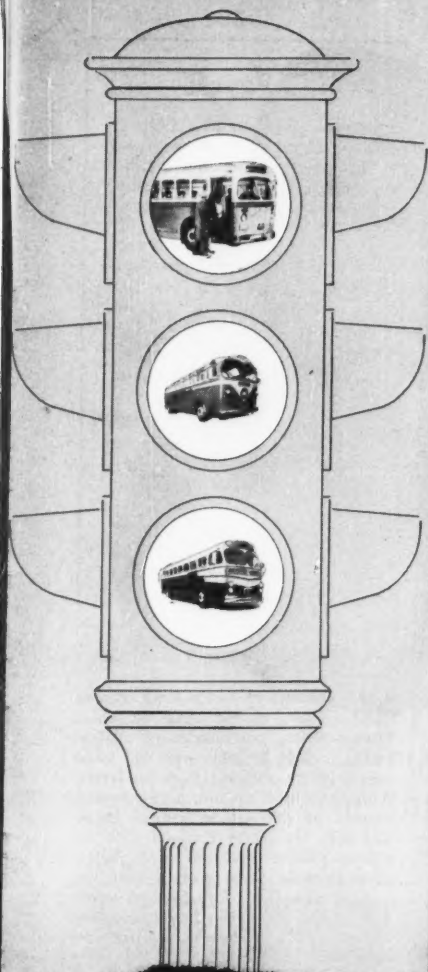
In farm equipment, Avco's best specialized lines now have about 10% of the market.

I. Beginnings

Avco's parents never dreamed of such lines when they formed their company in 1929. A group of bankers and businessmen set it up as a holding company for aviation securities, called it The Aviation Corp. It was part of carmaker E. L. Cord's hodge-podge of companies. Main holdings in air transport were: Colonial Airways, 99%; Universal Aviation, 91.2%; Embury-Riddle Aviation Corp., 67%; Interstate Airlines, Inc., 100%; Southern Air Transport, 99%.

It held 53.3% of Fairchild Aviation Corp., which had several subsidiaries. The Aviation Corp. also had stock in Roosevelt Field, Inc.; Bendix Aviation; Fokker Aircraft; Pittsburgh Metal Aircraft; Western Air Express; Waco Aircraft; The B.G. Corp.; and other aircraft enterprises.

In 1930, the company centralized its airline operations by putting together American Airways (now American Air-



the Safest

coach for every type of service

Aerocoach WITH THE
ALL-WELDED, TUBULAR STEEL FRAMEWORK

Passengers riding in Aerocoach transit, intercity or Astraview sight-seeing busses enjoy protection they cannot get in any other make of coach. Beneath the handsome exterior and comfortable interior of every Aerocoach is a unique framework that keeps everyone safe when unavoidable accidents occur. Unlike conventional construction, this tubular steel framework does not transmit shock. It merely bends upon impact. Collision damage is confined to a small area around the impact point. No other coaches have this type of framework.

If you are a bus operator*, ask an Aerocoach representative to show you actual case histories of people who have been saved from serious injury because of this exclusive Aerocoach frame.

*Aerocoach is economical, too. Lighter weight cuts fuel costs and tire wear.



TRANSIT BUS 36 and 44 passenger coach for city and suburban runs.



ASTRAVIEW 37 passenger sight-seeing bus with Salex-glass roof panels for greater vision without heat or glare.



MASTERCRAFT P-372
37 passenger Intercity Coach



GENERAL AMERICAN AEROCOACH

MOTOR COACH DIVISION

General American Transportation Corporation

300 West 151st Street • East Chicago, Indiana

PARSONS COTTON FIBER PAPER

Always looks its best!



If your letters are written on Parsons paper, made with *new* cotton fibers, they'll be off to the best possible start. Only letters on such *quality* paper can expect immediate acceptance and welcome. If your letters are individually typed, the added cost of a fraction of a penny each is worth while to assure favorable attention. If you use letters for selling, then you know the importance of presenting your story in an atmosphere of quality. Whether it's inquiries, orders or

just answers you seek, distinguished stationery will pay its way.

Parsons Papers for stationery, records and documents are available in a wide range of colors, weights and qualities to suit your needs and taste. Remember these five points of superiority: Parsons Cotton Fiber Papers last longer, wear better, have superior writing and erasing qualities, outstanding appearance and the look and feel of *quality* that reflects *prestige* on your organization. Parsons Paper Company, Holyoke, Massachusetts.

It Pays to Pick



PARSONS
P A P E R S
Made with New Cotton Fibers
© PPC 1949

Avco's Payoff

What has Avco Mfg. Corp.'s transformation from an aviation holding company to a diversified manufacturer meant in sales and profits? As a gauge, here's an 11-year summary of consolidated net sales and net income after taxes. Figures are for fiscal years ended Nov. 30:

	Sales	Profits
1938..	\$6,373,762	\$187,908
1939..	3,301,778	D2,238,049
1940..	5,235,439	88,350
1941..	18,680,638	2,454,142
1942..	42,077,186	4,579,360
1943..	68,562,405	3,470,192
1944..	59,816,649	3,447,005
1945..	32,101,772	2,184,829
1946..	52,781,266	1,514,094
1947..	105,704,556	6,960,658
1948..	140,515,462	7,913,736

D—Deficit

lines.) It also fathered Pan American Airways.

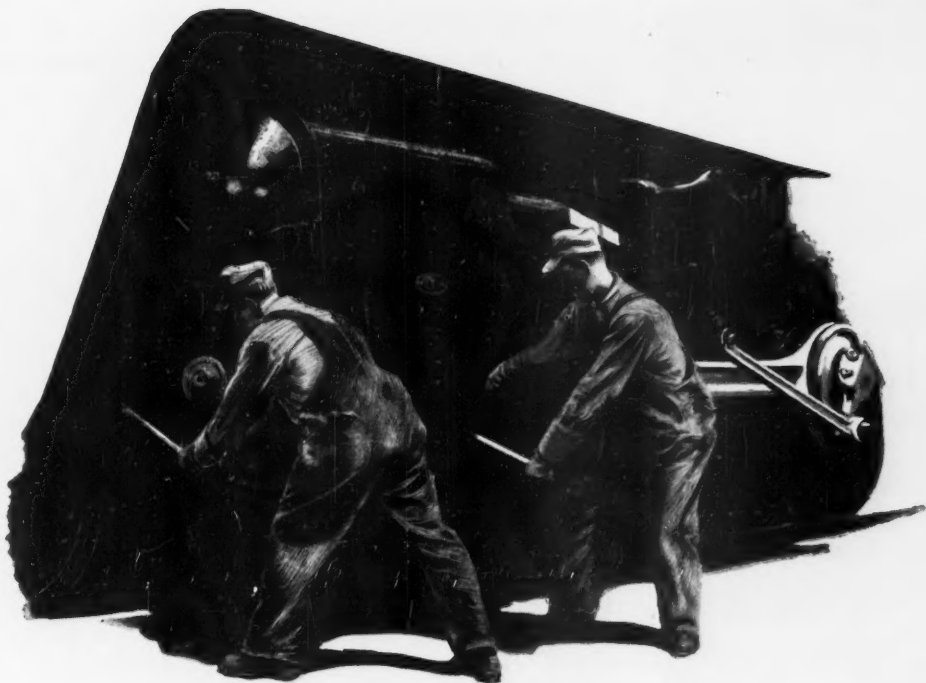
• **Enter Emanuel** — In 1937, Victor Emanuel came on the scene. He was a Dayton (Ohio) boy-wonder—no relation to the ex-King of Italy—who had taken over a utility company from his father. After running it up into a 14-company empire, he sold out to Samuel Insull, and then retired to England with his pile in 1926 at the age of 28. A few years later he came back to America, jumped into the utility business again. But by the mid-1930's he decided that the days of adventure in utilities were over.

When he looked around for something to put his money into, his eye caught The Aviation Corp. He headed a group that bought out all E.L. Cord's holdings. By then the Cord empire extended to Lycoming, Vultee, and Stinson in the aircraft field; Auburn Automobile Co. at Connorsville, Ind.; and New York Shipbuilding Corp.—among a wide variety of other interests.

• **"What a Mess"**—This is the way Emanuel looks back on the deal now: "What a mess of companies to take over to get a few good ones."

Emanuel soon discovered that putting in money alone wasn't enough. To make the companies click, he had to give management help. (It was this kind of reasoning—plus the new legal handicaps of the holding-company form—that led, years later, to the shift from an investment-company to an operating-company basis.)

• **Reshuffle** — Emanuel rejiggered the Cord properties, sold some, gave the

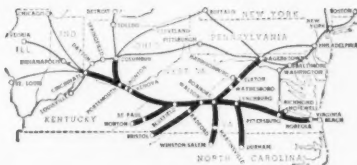


... the human ingredient
... in the unbeatable combination

A railroad never sleeps. Somewhere, each minute of every day and night — in the cabs of locomotives, in the aisles of passenger coaches, and in the familiar red cabooses — railroad men move endless trainloads of humans and hundreds of thousands of commodities for human needs.

But behind the scenes, the hands and minds of thousands of other men labor constantly to insure that those trains will move swiftly . . . and safely. In round-houses and shops, at the boards of traffic control systems, over busy desks, in the yards and out on the main and branch lines, more railroad men keep vigilant, faithful watch over the countless functions which make up modern railroading.

On the Norfolk and Western, these experienced men represent *the human ingredient* in the priceless combination which makes possible the Norfolk and Western's famous *Precision Transportation*. They work with the most modern and efficient equipment . . . with operating methods proven by many years of experience. This is the team . . . the unbeatable combination that builds dependable railway service.



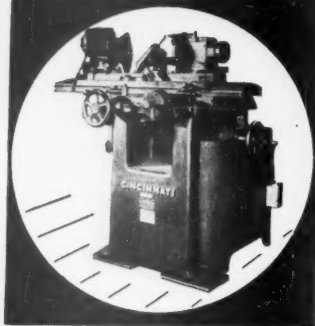
These men are tightening a cylinder head and piston rod packing gland on a modern locomotive. Their work is typical of the constant vigil maintained "from the roadbed up" on the Norfolk and Western. This advertisement is the second in a series portraying the role of *the human ingredient* in the Norfolk and Western's unbeatable combination.

**Norfolk
and Western
RAILWAY**

PRECISION TRANSPORTATION

UNISORB- MOUNTING

The Fast, Modern Way
to Anchor Machines
Without Floor Damage



UNISORB machine-mounting does away with expensive, obsolete methods. No bolts . . . no lag screws . . . no destructive floor drilling.

A cement made by us for this purpose binds the UNISORB pads to the machine feet and the floor with a *minimum* holding strength of 1500 lbs. per sq. ft.

SAVES MACHINERY, BUILDING AND FLOORS BY CONTROLLING VIBRATION . . . IMPROVES PRODUCTION EFFICIENCY BY DEADENING NOISE.

UNISORB absorbs from 60% to 85% of transmitted machine noise and vibration. This reflects substantial savings in floor and building maintenance and in machine wear. Moreover, by reducing plant operation noise, UNISORB machine-mounting promotes efficiency by helping to lower the rate of worker fatigue. Write for details.

THE FELTERS COMPANY

210-Q SOUTH STREET, BOSTON 11, MASS.

Offices: New York, Philadelphia, Chicago, Detroit
Sales Representatives: San Francisco, St. Louis

Avco's Top-Management Team



Victor Emanuel

Raymond C. Cosgrove



John W. Craig



William A. Bles

organization a shot in the arm—and kept the name, The Aviation Corp.

The company was on the road to diversification into consumer hard goods when the gathering storm of World War II zipped up the aircraft business. Emanuel, through Vultee, bought a controlling interest in Consolidated Aircraft Co., borrowed Tom Girdler from Republic Steel to run it and Vultee. Later Consolidated and Vultee were merged.

The only consumers the Aviation Corp. group could think about when war came were the armed services.

• **Purchases**—Then in 1945, the company really stepped out. It bought New Idea, Inc., and Crosley Corp. (Powell Crosley, Jr., kept Crosley Motors and the Cincinnati Reds baseball team.) Later Avco sold its interest in Con-



James D. Shouse



IN EVERY INDUSTRY

**Machines are producing more work at lower cost
... with Adjustable Speeds from A-c. Circuits**

Thousands and thousands of installations ago, a new system for transmitting power to machines by electricity was introduced without fanfare. Today, after ten years, this Reliance V*S Drive has the respect of management in countless plants in every industry. *It is one of the surest ways to increase production and lower operating costs!*

Reliance V*S, the original *Packaged, All-electric, Adjustable-speed Drive*, will operate direct from your plant's A-c. circuit. Controlled manually or automatically—at the machine

or from any remote location—it will provide whatever flexibility is needed to secure maximum output at minimum cost. Quick, smooth starting and stopping and stepless speed changing over an infinite range are basic functions. Maintenance of proper tension on rolled materials, reversal at any point and other special functions can be added as desired.

For further information, write today for Bulletin 311. Or, a phone call to the nearest Reliance office will bring a Reliance application engineer to show you where and how you can use V*S most profitably.



ADJUSTABLE SPEED DRIVE MOTOR



*Conveniently-packaged, factory-wired V*S Drives are available from 1 to 200 hp. Two or more motors may be operated simultaneously from a single Control Unit.*

*Sales Representatives in
Principal Cities*

RELIANCE ELECTRIC AND ENGINEERING CO.

"Motor-Drive is More Than Power"

• 1069 Ivanhoe Road, Cleveland 10, Ohio

IT ADDS UP TO

**Convenient
WABASH
service
for you!**

6 Trains daily between
KANSAS CITY and ST. LOUIS
Including 2 great, Diesel-powered
streamliners... one with thru cars
to the West Coast.

6 Trains daily between
CHICAGO and ST. LOUIS

4 Trains daily between
DETROIT and CHICAGO

4 Trains daily link
**ST. LOUIS with
DETROIT and TOLEDO**

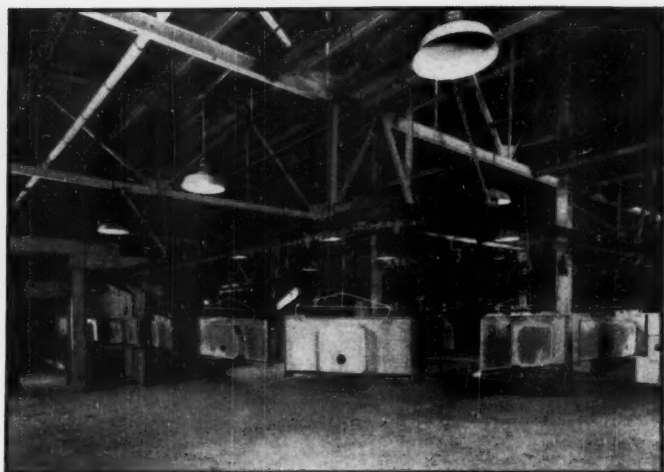
4 Trains daily link
**ST. LOUIS with
OMAHA and DES MOINES**

**YES—it adds up to
CONVENIENT
DAILY SCHEDULES
for you!**

TOM M. HAYES
Passenger Traffic Manager
1495 Railway Exchange Building
St. Louis 1, Missouri



SERVING THE HEART OF AMERICA



MAKING STEEL SINKS at Avco's American Central Division, run by . . .

solidated-Vultee to Atlas Corp.—but kept some of the parts.

II. The Company Today

By 1947, The Aviation Corp. was such a misnomer that the name was switched to Avco Mfg. Corp. Here's how that company is made up today:

Operating Divisions

Crosley Division makes radios and TV receivers in Cincinnati, refrigerators in Richmond, Ind.

New Idea Division makes farm equipment at Coldwater and Circleville, Ohio, and Sandwich, Ill.

American Central Division (descendant of the old Auburn Automobile Co.) makes steel sink cabinets, kitchen wall and base cabinets, and refrigerator cabinets at Connersville, Ind.

Lycoming Division makes aircraft, bus, and industrial engines, and precision machine parts, at Williamsport, Pa.

Spencer Heater Division (a prewar buy) makes commercial and residential boilers, plus auto and farm-equipment castings, at Williamsport.

Consolidated Subsidiaries

Crosley Broadcasting Corp. of Cincinnati runs the powerful and profitable WLW and affiliates, owns WINS in New York.

Nashville Corp. of Nashville, Tenn. (formed to hold some old Convair properties), makes frozen-food storage units, and gas and electric ranges for Crosley to market, plus transit buses.

Crosley Distributing Co. of New York handles Crosley products.

Carrollton Furniture Co. of Carrollton, Ky., makes radio and television console cabinets.

New Idea Farm Equipment Co. of



. . . GENERAL MANAGER Eric O. Johnson, who is also a vice-president of Avco

Coldwater sells New Idea farm items.

Associated Companies

ACF-Brill Motors Co. (48.6% owned) makes buses and trolley coaches. Its Hall-Scott Division at Berkeley, Calif., makes engines for varied uses.

New York Shipbuilding Corp. of Camden, N. J. (Avco owns the equivalent of 24.3% of the equity stock), makes naval and commercial vessels.

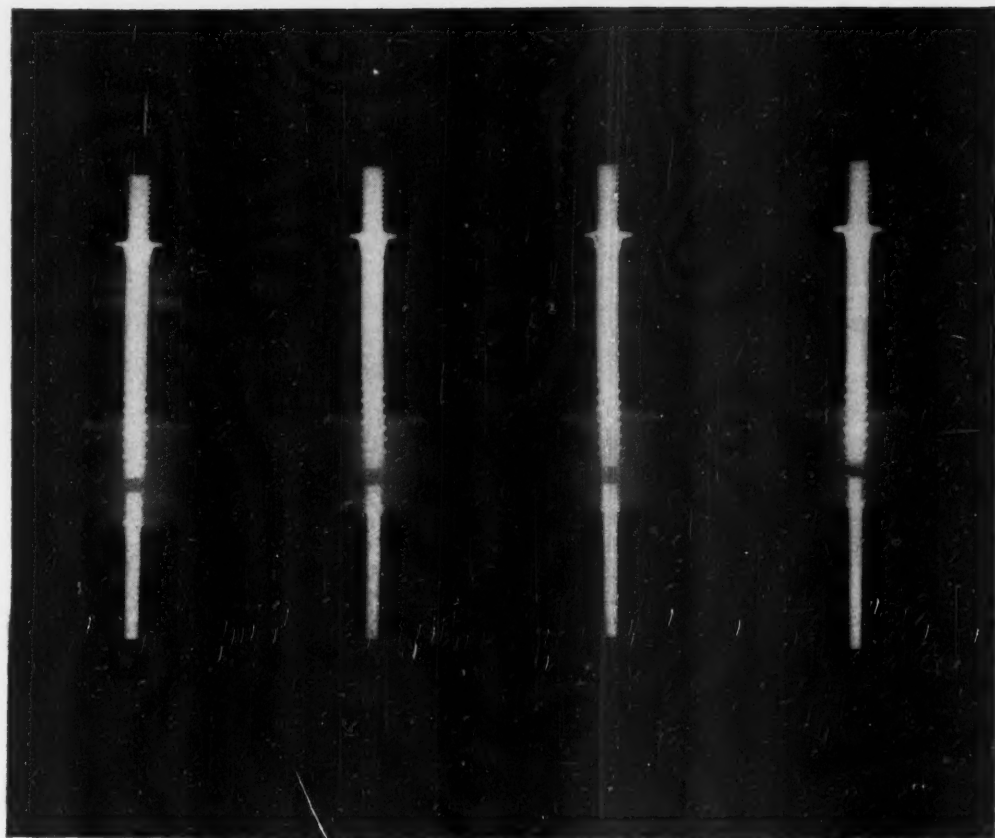
Investments

American Airlines, Inc., 4% of the common stock.

Pan American Airway Corp., 6% of the common.

Roosevelt Field, Inc., of New York, 20% of the common.

• **Sales Breakdown**—Here's a percentage breakdown of the sales of divisions and



Profits... interior view

An x-ray view often makes a pleasing profit picture.

The makers of Hastings Aero-type spark plugs found it so. Their engineers had designed a new center electrode. The design demanded that a sealing compound, in an exact quantity, be injected between the electrode and the insulator.

Special injectors were built to do this. But did they?

How could management be sure that the correct amount of seal was accurately placed in every spark plug? How could management know that each plug would deliver uniform performance?

X-ray said so. General Electric X-Ray equip-

ment, purchased and installed by the company, gives visual assurance that every spark plug that leaves the factory is right. Company engineers call cost "infinitesimal." And company salesmen find "x-ray inspected" a readily understood sales asset.

But inspection is just one dimension of x-ray. X-ray works, too, as a production tool... as a developmental tool. And, in the laboratory, x-ray *diffraction* works as an analytical tool. Which dimension of General Electric X-Ray fits your business? A G-E X-Ray industrial engineer will be glad to discuss it with you. Write General Electric X-Ray Corporation, Dept. C-33, 4855 W. McGeoch Ave., Milwaukee 14, Wisc.

**GENERAL  ELECTRIC
X-RAY CORPORATION**

BOOST



DIG full loads of any bulk material

OUTPUT



CARRY at high speed without spilling

PER



DUMP into trucks, bins, hoppers, etc.

MANHOURL

Hough Payloaders will handle your bulk materials quickly and cheaply . . . will scoop up and carry them rapidly through narrow aisles and doorways, up and down ramps, on pavement or bare ground. They discharge their bucket loads into hoppers, containers or bins — high or low, slow or fast — by controlled hydraulic action. Perhaps Payloaders can solve bulk handling problems in your plant as they have in hundreds of others. Sizes from 10½ cu. ft. to 1½ cu. yd. Write for full facts, to The Frank G. Hough Co., 700 Sunnyside Ave., Libertyville, Ill.

HOUGH
PAYLOADER
Manufactured by THE FRANK G. HOUGH CO.



A NEAT TIE-IN of telecasting and merchandising: The setting of a Crosley-station program includes Crosley Division and American Central Division kitchen equipment

subsidiaries that make up Avco's total:

Crosley Division	55%
New Idea Division	15
American Central Division	15
Spencer & Lycoming Divisions	5
Crosley Broadcasting Corp.	5
Nashville Corp.	5

Avco's total100%

These are based on sales of last October and November. Intercompany sales have been knocked out by Nashville's figure.

• **Mainspring**—The man who sees to it that the manufacturing units all pull together—hard—in sales and production is Cosgrove. He's the top operating executive; the division heads report through him to Emanuel, who handles finances and broad policy at his office in New York.

Cosgrove plays mostly by ear. He does get written reports, but he tries to have them kept simple. He manages a great deal by telephone, because some people who want to tell something "aren't able to write it the way it really is."

He's also a great one to get out into the plants to talk to his personnel. Cosgrove likes most, though, to go talk to the distributors and retailers. He's leery of "headquarters ideas" about what a product should be. He listens to the retailers and customers. He says 90% of his thinking is "at the consumer level—where business is done."

• **No Time for Golf**—Getting around to see what's going on—plus handling the headquarters work of an executive vice-president—is just about an around-the-clock job. Cosgrove says he "works all the time"—and enjoys it.

He enjoys golf, too. But he has

played only 18 holes in the last five years; even this was for business reasons. • **Results**—Cosgrove's brand of work gets results. In 1939 the old Crosley Corp. had a net loss of \$789,800 before taxes on sales of \$134-million. When he came in, in 1940, the company was making a miscellany of items ranging from radios to hair-growing machines to coal stokers, bed coolers, and cameras.

He spent 1940 cutting the line down to radios and refrigerators, wrote off bad inventory on a sweeping scale. In 1941 he showed a profit before taxes of \$918,407 on sales of \$24-million. Last year, the sales of Crosley Division of Avco were \$87-million.

III. Crosley Division

Now that Cosgrove has moved up in Avco, the Crosley Division is in the hands of John W. Craig, general manager. He's also a v.-p. of Avco.

Craig is 42 and an obvious comer-upper on the Avco management team. He's an alumnus of Frigidaire, came to Crosley in 1937 as assistant chief engineer.

• **Production to Sales**—His career in Crosley is typical of the Avco pitch. Craig is a production man; he is responsible for the remarkable postwar expansion of Crosley's Richmond plant. It can turn out 2,000 refrigerators a day in two shifts. Richmond's innovations in materials-handling and full-use-of-space techniques have attracted the rapt attention of many visiting production engineers.

But you can't be just a production man and be a first-stringer at Avco. The company wants more than well designed products efficiently produced. Emanuel and Cosgrove insist that the

top management men "think at the consumer level"—in terms of aggressive selling. So Craig, who made his mark in production, is now adding sales know-how to his repertoire.

• **Blees**—One of his best teachers is Blees, general sales manager of the Crosley Division and vice-president of Avco. Since the day he arrived at Crosley last November, Blees has been forging a sales organization for the division.

He has plenty of experience for the task. After World War I—already with some selling jobs behind him—Blees settled in Kansas City, ran a small advertising and printing business (and occasionally bought a tie from Harry S. Truman's haberdashery). His next step was into a Model T Ford. Blees sold them in Kansas, developed a time-payment plan that he was smart enough to market. The buver of "The Blees Plan" was General Motors. Blees went to Detroit, and up into the Big Time of selling.

After many high-ranking jobs with G.M., including vice-president in charge of sales for Buick, Olds, and Pontiac combined, Blees went into the advertising agency business in 1934, then became general auto sales manager of Nash-Kelvinator. Later he went to the West Coast, became vice-president in charge there for the Young & Rubicam advertising agency. That led to a vice-presidency in charge of sales for Consolidated-Vultee. From there he came to Crosley.

• **Bad Timing** — Avco admits now it made a mistake in timing. It should have pried Blees loose from Consolidated about six months earlier. The blunt end of the sellers' market struck the industry before Blees had time to



What would it cost to replace your essential business records?

Have you ever stopped to consider what a heavy investment in work and money has gone into your business records—the correspondence files, manufacturing and sales records and accounts, customer lists, employee and payroll records, engineering drawings, miscellaneous reports, and all the other vast accumulation of data in daily use in your operations?

Estimate the value represented and you'll have some idea of the expense you'd be put to just to restore the indispensable portions of this information, should it be lost, destroyed, or substantially damaged by fire, flood, explosion, or any other cause.

The possibility of a loss is such a serious risk, and would cost you so much money, that it should be covered by insurance. Ideal for the purpose is the Hartford Valuable Papers Insurance Policy which:

1. Covers business records and all papers* used in business activities, against loss due to fire, explosion, windstorm, theft, and any other cause (except misplacement or mysterious disappearance, wear and tear, deterioration, vermin, and acts of war).

*Currency, stamps, coupons and securities, checks, drafts, notes, or other written evidence of indebtedness or obligation are not covered by the policy.

2. Covers such property in your office, in transit to a place of greater security, and in the more secure location. Papers taken off the premises for business purposes are covered up to 10% of the total insurance carried, subject to a limit of \$5,000.

3. Guarantees that the Hartford will either replace or reproduce lost or damaged records or papers, or pay in cash up to the limits of insurance carried an amount equal to the actual costs of making such replacement. (Unless specifically insured for a higher amount, there is a limit of 5% of the total insurance on any one record or paper, subject to a maximum payment of \$5,000.)

Your Hartford agent or your own insurance broker will gladly furnish details of this low-cost, broad protection. In over 5000 communities you can secure the name and address of the nearest Hartford agent quickly by calling Western Union by number and asking for "Operator 25." Or write the company for a sample policy.



FARM-MACHINE MAN J. H. Oppenheim is general manager of New Idea Division and a vice-president of Avco Mfg. Corp.

HARTFORD

HARTFORD FIRE INSURANCE COMPANY
HARTFORD ACCIDENT AND INDEMNITY COMPANY
HARTFORD LIVE STOCK INSURANCE COMPANY
Hartford 15, Connecticut



Year in and year out you'll do well with the Hartford

**WHEN
YOU THINK
OF
PITTSBURGH**

Think of
**PEOPLES
FIRST**



Pittsburgh has excellent transportation facilities. Combined rail and water borne tonnage is greater than that of any other industrial area in the world. Five Class I railroads . . . three navigable rivers connecting with the 12,000 mile Mississippi system. Leading airlines augment Pittsburgh transportation, and will soon use one of the nation's largest airports.

Your Pittsburgh business has ready access to markets, raw materials, fuel. And your banking needs can be served competently through Peoples First National and its 15 completely staffed offices. Your inquiries on Pittsburgh and Peoples First National facilities will be welcomed.

**PEOPLES FIRST
NATIONAL**

BANK & TRUST COMPANY

Pittsburgh 30, Pa.

Member F.D.I.C.

build a sales organization down to the retail clerk. He's working like fury to catch up, expects his efforts to begin to pay off this spring. Crosley is boosting its sales personnel by 300%, tripling its advertising and promotion budget for 1949.

Contrary to some sales philosophy, Crosley is not trying to take on every dealer that will try to sell a refrigerator. Bles wants plenty of quality dealers. But he's giving each one enough territory to make an attractive income.

• **Discount Policy** — Also, the Crosley Division is making an intense study of what it should give its dealers in discounts and trade-in allowances. Avco now describes its discount policy as "competitive," says it may make some changes after its survey.

As Bles puts it: "No one knows now—in changed postwar conditions—just how much discount you should give a dealer or distributor to be fair all around—and, most important, to keep the dealers and distributors healthy."

Avco's next step will be to broaden its line of major appliances beyond the present radio and television sets, Sheldor refrigerators, home freezers, and ranges. It knows it has to have a more complete line to keep retailers loyal in the long run.

IV. New Idea Division

In farm equipment, it's just the other way around. The New Idea Division will stick to the specialties its line is built on. (Though it's conceivable that Avco might buy out, or merge New Idea with, some other established producer and marketer of farm equipment that New Idea doesn't make.)

Here's why New Idea will stick to its last: It has one of the broadest and best dealerships in the business; but none of these is exclusive, since farmers buy a lot of items New Idea doesn't make. If New Idea brought out its own major full-line equipment such as tractors, that equipment would be in competition with similar products to which its own dealers have built up years of loyalty.

• **The Idea**—New Idea's business started with a manure spreader—though the division now does a big volume in corn-pickers, and sells hay rakes and loaders, steel wagons, transplanter, plus a lot of other items.

Joseph Oppenheim was the man with the "new idea"—in the Ohio village of Maria Stein in the 1890's. He was a schoolteacher. Every year, many of his older boy pupils would cut classes for days at a time to help pitchfork manure onto the fields. Oppenheim thought there ought to be an easier way to do the job. There were wagons with devices to get manure onto the ground,

but they didn't break it up and scatter it.

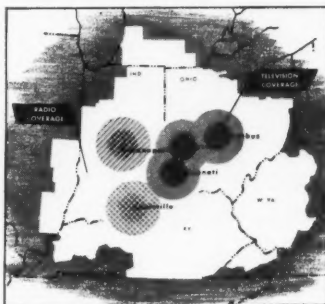
• **Matter of Paddles**—The story goes that Oppenheim was helped to a solution of the problem as he watched his pupils play a game called "tom ball." They struck a ball with a paddle-like bat; and they could change the direction of the ball by shifting the angle of the paddle surface. Oppenheim decided that whirling paddles, set at various angles on the back of a manure wagon, would scatter the manure widely. So they did. And have ever since.

His family developed and ran the business, moved the plant to Coldwater in 1910, bought the assets of the Sand-wich (Ill.) Mfg. Co. in 1930. In 1937 New Idea put out a public stock issue. Avco bought up the stock in 1945. Justin H. Oppenheim, son of the founder, is now a vice-president of Avco, and general manager of Avco's New Idea Division.

V. Television

The hottest business that Avco is in is television. It's one of the top seven set producers, has just stepped up its capacity to 20,000 a month. Avco is into telecasting with both feet. The stations that Crosley Broadcasting Corp. starts next week in Columbus and Dayton add new markets for television receivers. And, hooked together by microwave, they contribute to the telecasting network that Crosley is weaving inside the broad area served by its big radio station WLW, Cincinnati.

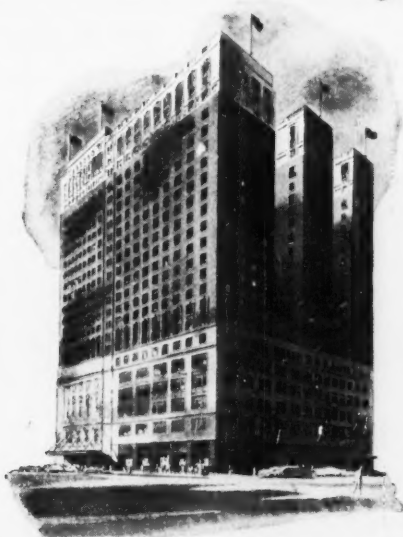
This map shows the setup:



The white portion is the territory WLW claims as its effective merchandising area. The circles are TV areas—including Indianapolis, which Crosley has applied to serve, and Louisville, where it hopes to get permission to go through with its purchase of WHAS and WHAS-TV.

• **Selling, Again**—What fascinates Avco about television is the selling job the company is sure TV stations can do. The development period for telecasting is terribly expensive. But when it's over,

Palmer House · Chicago



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famous hotel
under
Hilton
operation*



The Palmer House proudly plays "host to the nation."

Its inherently rich traditions have been greatly enhanced by friendly

Hilton hospitality. This distinguished hotel is the home of the glamorous Empire Room—one of the world's famous supper clubs.

Use our new Inter-Hotel Reservation Service or teletype your nearest Hilton Hotel



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THE PALMER HOUSE
In New York
THE PLAZA and THE ROOSEVELT
In Washington, D. C.
THE MAYFLOWER
In Los Angeles
THE TOWN HOUSE
In Dayton, Ohio
THE DAYTON BILTMORE
In El Paso, Lubbock, Texas
THE HILTON HOTEL
In Albuquerque, New Mexico
THE HILTON HOTEL
In Chihuahua, Old Mexico
THE PALACIO HILTON
In Bermuda
THE BERMUDIANA
THE CASTLE HARBOUR
THE ST. GEORGE
In San Juan, Puerto Rico
THE CARIBE HILTON
(Opening late in 1949)



*"Meet my
silent
partner!"*

**"I work with paper all the time.
This improved Hammermill Bond
makes my job so much easier."**



"Yes, Mr. Ross, our letters do look a lot better lately—and it's because of this improved Hammermill Bond that we use now. Any typing we do on its clear, smooth-white surface stands out with new clearness and sharpness."

Your typists also will turn out better, cleaner finished work on improved Hammermill Bond. And this paper has the sturdiness to keep its snap in the mail, and stand up—for years—in the files. It takes quick, clean erasures, too.

Send for samples of improved Hammermill Bond

The coupon below will bring you samples of improved Hammermill Bond in white and fourteen pleasing colors. We'll include, if you wish, a copy of "Your Next Letterhead," the Hammermill idea-book... useful in improving or redesigning your present letterhead.

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Companion papers for office use include
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Please send me—**FREE**—a sample book of Hammermill Bond. (Check if you'd like a copy of ☐ "Your Next Letterhead" and sample books of ☐ Hammermill Mimeo-Bond ☐ Hammermill Duplicator.)

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Position _____

(Please attach to, or write on your business letterhead)

BW 3-10

LOOK FOR THE WATERMARK

IT IS HAMMERMILL'S WORD OF HONOR TO THE PUBLIC



*Send this
coupon
now!*

Avco expects to get back its money many times over.

It's easy to see how Avco's manufacturing divisions can profit by the merchandising opportunities on television.

For instance: In a television program for housewives, showing ways to cook a cake, you can whet the viewer's appetite for a new kitchen by having the "set" equipped with the latest type facilities. And of course Avco is in the steel kitchen business up to its ears; its American Central Division—run by labor-relations-wise Eric O. Johnson (BW—Jan. 3 '48, p. 4)—is the second largest maker of steel kitchens (Mullins Mfg. Co. is first).

With more steel available, American Central will be making more sinks and cabinets—and looking for all the promotion it can get.

• **Shouse**—Avco has one of the best-regarded hands in the business to run its part in developing television as a merchandising force. He is James D. Shouse, young-looking, 45-year-old president and chairman of Crosley Broadcasting Corp. Shouse has helped build WLW, "the nation's station," into a world leader.

One of the ways he has done it is to concentrate on serving the advertisers who buy time on WLW. His salaried sales force will go right out into the retail stores to show merchants how to sell the goods that are plugged on WLW.

Shouse's policies have been highly profitable. While Crosley Broadcasting Corp.'s sales make up only 5% of Avco total sales volume, the subsidiary contributes a lot more than that meager percentage to Avco's net income.

VI. The Future

Where does Avco go from here?

It's pretty well set in its four major lines now. For the next few years, at least, the management thinks radio and television, broadcasting, home appliances, and farm equipment are a fine "product mix."

It knows how to think at the retail level in these fields. It feels the farm-equipment line is a good complement for stability to the other activities. (And Emanuel, through his own farm and a farm businessman friend—H. E. Babcock, a director of Avco and founder of the Cooperative G.L.F.—keeps in touch with farming at the grass roots.)

• **On the Lookout**—But Avco is not so emotionally wedded to any of its fields that it couldn't or wouldn't jump out of them if they didn't look good long-term—just as it jumped out of aviation. Too, if it sees a chink in a market that has a good long-term future, you can bet that Avco won't let "tradition" keep it from rushing in to fill the chink—with aggressive selling.

Controlled Gas

New metering device being tried by oil companies to cut trucking costs, control dealer inventories.

It's estimated that it costs about a third of a cent a gallon to truck gasoline to service stations in city areas. Yet retailers usually buy in small lots. Why, they argue, should they tie up working capital when they can get delivery as often as they please? But the oil companies hate this wasteful hauling.

• **Pay-As-You-Go**—Now Bowser, Inc., Fort Wayne (Ind.) gasoline pump maker, has worked out a "pay-as-you-go" device to take care of the problem. It's

called "Petinco" (PETroleum INventory Control). Here's how it operates:

Bowser will lease meters to oil companies for \$1.50 per month per meter to attach to the retailer's gas pumps. (These control boxes are made by Johnson Fare Box Co., a Bowser subsidiary.) The meters enable the oil company to take over, in effect, a service station's storage tanks. The tanks are then filled to the brim, and the retailer can draw off gas in the usual small lots (50 gal.) by putting a token in the meter.

• **Tests**—About 2,000 Petinco units are already in use by various oil companies throughout the West. Standard Oil Co. of California is testing 600 of them in the Los Angeles area, is thinking about putting in 28,000 all told.

In addition to cutting down the number of deliveries, Petinco is also supposed to do away with:

- (1) Credit problems;
- (2) Disloyal dealers (since the oil companies virtually control the storage tanks, dealers can't easily switch brands).

• **Foolproof**—Keys to the locks on the Petinco metering machines are held only by the drivers of oil-company delivery trucks. This guards against tampering and possible use of unauthorized slugs. Should a retailer use a token of his own design it would be detected by driver when he calls to tally tokens. The keys are so designed that they cannot be duplicated by a locksmith. Two Petinco key-making machines are kept in locked cages in Bowser's plant.

Incidentally, the lock works via a unique series of four tumblers. Bowser has been sending these locks to various penal institutions, inviting master safe-crackers to try and pick them. So far, they haven't succeeded.

Now that Petinco is ready for the market, Bowser probably will bring out other coin-operated devices for retailers.

MARKETING BRIEFS

Price cuts of from 2% to 20% have been made by major radiator manufacturers on heating equipment lines. Residential boilers were cut 5%.

• **Poor shows**—not reduced buying power or competition from TV—are the real cause for the movie box-office slump, says Elmo Roper. Receipts are now down to about \$70-million a week; they ran about \$78-million in 1947, \$81-million in 1946.

• **Rubber consumption** by manufacturers during January was down 13.7% from the previous January. The Rubber Manufacturers Assn. says natural rubber consumption was off 14.4%; synthetic, 12.8%.

How to solve puzzling business problems



Corporate Organization
Ebasco can help you on corporate reorganization plans, also on problems of financing and re-financing.



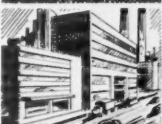
Management Controls
Ebasco can help you install budget controls, cost accounting, wages and salary administration or other programs.



Materials Costs
Ebasco helps procure materials and equipment, handles freight problems, develops inventory controls.



Overhead Costs
Ebasco helps on problems of systems and methods, insurance, taxes, pensions, personnel relations, appraisals.



Production Costs
Ebasco helps on product design and production engineering. Ebasco also designs and builds efficient new plants.



Marketing Costs
Ebasco helps on sales and marketing, warehouse distribution; also on appraisals of markets for products.

For any "problem" of your business, consider Ebasco men as your reserve team of specialized engineers, constructors and business consultants—available to you as needed, without the investment in permanent additions to your staff. Ebasco men work quickly and well because they are specialists who can call on one another for expert advice and information. Each problem is handled by the conference method, in cooperation with your staff.

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WITH THE PURCHASE OF MY 1948 CADILLAC 62 FOUR-DOOR

- A year's supply of tooth powder.
- A year's subscription to Esquire.
- A year's subscription to The Buffalo Evening News.
- A season's Baseball pass.
- A year's supply of face soap.
- A year's supply of cigarettes.
- A year's pass to the movies.
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Without any extra charges.

THE PRICE

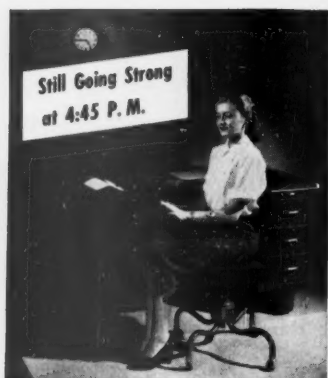
Just exactly the cash price I paid for this gorgeous, 2-tone Green beauty. Luxuriously equipped, with finest extras.

TRADES AND TERMS
ACCEPTED AT 6%

BRINKMAN BROS.
2795 Bailey Avenue

How to Sell a Car

Fancy promotional ideas are old stuff in the auto industry. But this newspaper ad which ran last week in Buffalo went further than most in the give-away line—and revealed something about the state of the market for second-hand cars.

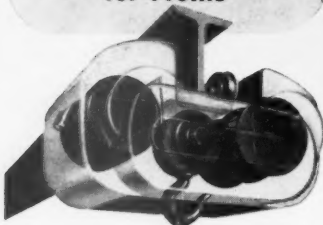


WHY? Look at her posture! Seated all day on a STURGIS POSTURE CHAIR, she escapes "afternoon letdown". A Sturgis encourages erect, healthful, fatigue-defeating posture.

Our interesting new booklet, "The High Cost of Sitting", tells you how to improve office efficiency. Write today for your free copy.



**More Room in Your Plant
for Profits**



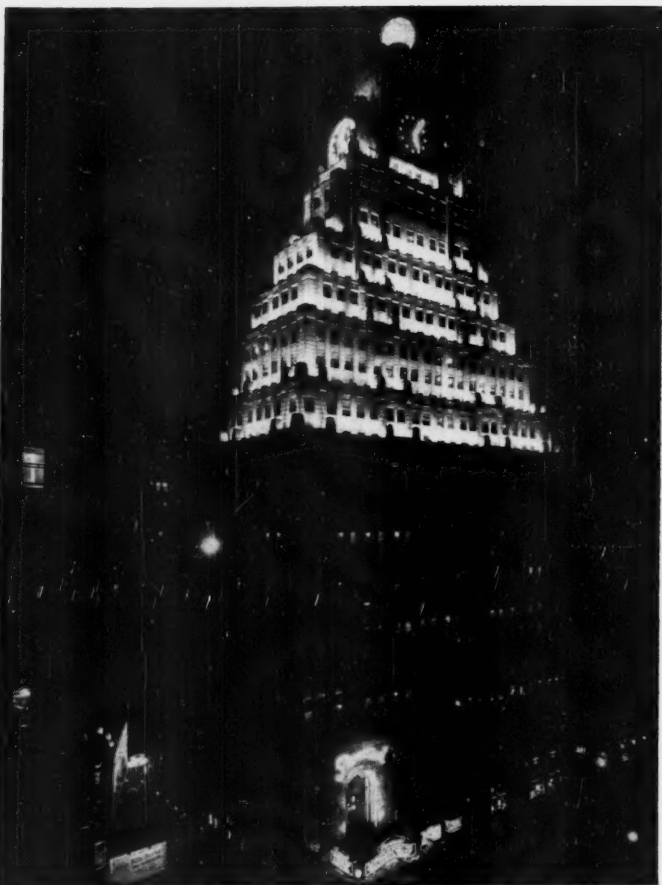
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Hoists on the job

Move from 1/4 to 12 tons at the touch of a finger. Offered in 5 classes and 5 types of suspension. Three kinds of controls. Safety factor of at least 5. Original low-head-room principle included (no extra cost). Operate on standard I-Beam or can be adapted to track of any make. Write for catalog.

LO-HED
ELECTRIC HOISTS and CAR PULLERS

Products of American Engineering Company
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In Canada: Galbraith & Sulley Limited, Vancouver, B.C.
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Montreal and Toronto

FINANCE



PARAMOUNT BUILDING in New York will be sold with other theaters because . . .

Paramount Chooses Films

Present company must be split into two new ones as result of consent decree. But most top executives—with an eye on television—will stay with the film-making end.

The Justice Dept. has won the first couple of rounds in its antitrust scrap with the motion-picture industry. Two major film companies have agreed to a shotgun divorce: They will split film making and selling from the operation of theaters.

Radio-Keith-Orpheum was the first to break the solid phalanx of the industry and give in to the Justice Dept. (BW—Feb. 26 '49, p104). Now Paramount Pictures has followed suit. Last week Paramount directors gave stock-

holders a plan to get rid of its theaters.

• **Different Picture**—That's not what the experts predicted a few years ago. Then the wise money said that if the movie chieftains finally had to make a choice, they would hang onto the theaters and let the studios go (BW—Nov. 17 '45, p16).

Yet Howard Hughes has decided to stay with the film-making side of R.-K.-O. And Paramount's president Barney Balaban—a theater operator from the very start—has decided to stay with the

Only **GOULD** Has It!

A modern research
laboratory with
pilot manufacturing plant
where advance-design batteries
are constantly created—
and proved before production.

Gould's Pilot Plant is a complete
experimental-scale manufacturing
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The Pilot Plant is where all Gould developments prove their commercial worth. Each advance of research must prove itself . . . must prove to be practical. Here, Gould has already made advances in methods of die-casting and in the use of powdered metals, and has done revolutionary work in the improvement of gravity casting. Here, present batteries are being perfected and tomorrow's advance-designs are being created. Another reason why the better batteries come from GOULD—FOR FIFTY YEARS THE CHOICE OF ENGINEERS.



The Gould "Thirty"—America's
Finest Industrial Truck Battery!

GOULD

STORAGE BATTERY
CORPORATION

Including the Storage Battery Division
of Philco Corporation

TRENTON 7, NEW JERSEY

Always Use Gould Automobile and Truck Batteries



How to go home in Philadelphia

You have something to sell. Then Philadelphia is your *third* largest market—the trading area of over four million persons that are in and around this *city of homes*.

Your problem is how to put your products into these homes.

The one completely satisfactory answer is: *Go home with The Bulletin*. In this newspaper's company you call on more than four out of five Philadelphia families at the time when they have leisure for reading. In the 1700 block on Bellfield Avenue, 49 of 50 families interviewed read *The Bulletin*. That's how it is in Philadelphia where *The Bulletin goes home, stays home, is read* by the entire family—evenings and Sundays.

- In Philadelphia
- nearly everybody reads
- *The Bulletin*



THEATER HEAD after split will be Paramount vice-president Leonard Goldenson



STUDIO HEAD will be canny president Barney Balaban, in the industry since 1908

studios, let his beloved cathedrals go.

- **Television**—Why this decision? Since 1945 film-making and selling has been less profitable for Paramount than the theaters. Furthermore, if Paramount had been two separate companies in 1948, the picture company would have earned about \$5-million in the first nine months; but the theater company would have earned a whopping \$11-million.

What the figures don't show, though, is something that hits every movie executive smack in the eye: television.

Here's how Balaban may have figured: Television is a threat to the box office, but film companies can cash in on video by making films for it. Nearly all Paramount's sizable television assets would stay with the film company, if the plan now being considered by stockholders is approved—and the trade expects it will be.

- **Film-Company Assets**—The proposed plan would divide assets in this way:

To the film company would go:

- (1) The movie studios and sales organization;

- (2) About 380 Paramount theaters abroad, mostly in Canada;

- (3) Residual value of all old pictures;

- (4) Accumulated foreign revenues, now mostly blocked abroad;

- (5) Nearly 30% of the common stock of DuMont Laboratories, Inc., maker of TV sets and operator of a TV network;

- (6) Paramount's interest in Scophony Corp. of America (BW—Jan. 22 '49 p. 26), which holds patents to a system of large-screen TV suitable for use in theaters;

- (7) Television station KTLA in Los Angeles.

- **Theater-Company Assets**—To the theater company would go:

- (1) A maximum of 650 U. S. theaters, out of its present holdings in about 1,400 theaters;

- (2) Television station WBKB in Chicago.

The theater company would have to sell within three years 69 of its 449 wholly owned U. S. theaters. But it would be allowed to buy about 266 of the 955 U. S. theaters in which Paramount now holds a part interest. (It would have to sell its interest in nearly all the other partly owned houses. However, had the theater company operated separately last year, only 13% of its income would have come from the partly owned theaters.)

By making Paramount cut down its theater holdings, the government is trying to open "closed situations"—cities where Paramount, with or without other major exhibitors, owns all first-run houses. The new theater company can't expand without court approval of each purchase.

Proceeds from the sale of the theaters will go equally to the two new companies. However, the film company's share is limited to \$7.5-million.

Stockholders will vote on the plan Apr. 12. Meanwhile, the price of Paramount common is sliding. Last week it had gone down to 20½, more than 15% below the 1949 high. One reason: the method the government is using to make sure both companies won't be controlled by the same management.

- **Division of Shares**—For every two shares now owned, a Paramount stockholder would get one share in the new film company, one in the new theater company. But he wouldn't actually take possession of his theater-company shares; they would be held by a trustee. The stockholder would get instead transferable certificates of interest. The stock



This—no other!

BUILT into the 'Load Lifter' electric hoist are special features no other hoist contains in entirety. From these—and basically rugged construction—come the amazing endurance, the low-cost lifting, minimum upkeep and safety for man, machine and load.

No job, within its capacity, is too tough for the 'Load Lifter'. No difficulty of installation or operation troubles this worthy, honest hoist.

It has a totally-enclosed, ball-bearing motor. No vicious, bearing-destroying grit or dust can enter. The "one-point lubrication" means you oil one spot once in approximately six months. The fool-proof upper stops, safety lower blocks and improved automatic load brake are your certain insurance against damage to anything or anyone.

In the files of our engineers are the records of hundreds of problems solved by the 'Load Lifter' or some combination.

Tell us about your lifting problem. We can solve it—quickly—and in the most economical way for you.

'Load Lifter' Electric Hoists are built with lifting capacities of 500 to 40,000 lbs. in all combinations required for industrial needs. They are adaptable to almost every working condition within their capacities. Send for Catalog No. 215.



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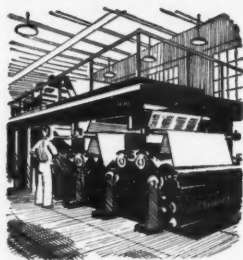
MANNING, MAXWELL & MOORE, INC.
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Builders of 'Show-Box' Cranes, 'Budgit' and 'Load Lifter' Hoists and other lifting specialties. Makers of Ashcroft Gauges, Hancock Valves, Consolidated Safety and Relief Valves and 'American' Industrial Instruments.

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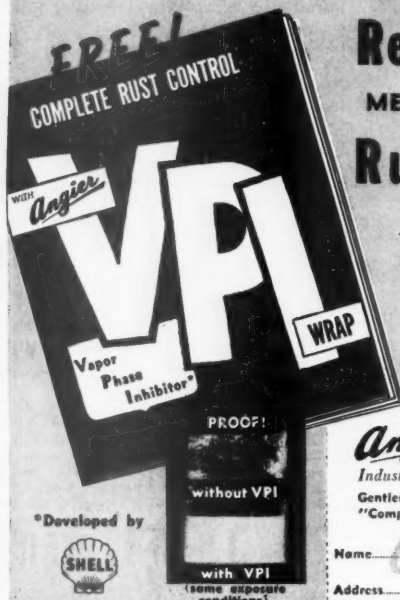
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New 12 Page Booklet Gives All the Facts . . .



Revolutionary METHOD OF COMPLETE Rust Control

- Outperforms other methods!
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- Angier VPI even answers rust problems never before solved!
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Industrial Packaging Engineers Since 1895

Gentlemen: Please send **FREE** 12 page booklet, "Complete Rust Control with Angier VPI Wrap".

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Also Angier cased, waterproofed, reinforced papers for building, farm and industrial uses.

SEE **POST** March 12 **LIFE** March 14 for **SHELL'S** Announcement of VPI—"Invisible Vapor Prevents Rust"

itself would be handed over only to certificate holders who have got rid of their film-company stock. Certificates—as well as stock in both companies—will be traded on the New York Stock Exchange.

Stockholders have five years to decide whether they will hold on to their film-company stock or pick up their theater-company stock. But holders of certificates of interest will get only 50% of their theater-company dividends, though they must pay income tax on the full dividend. (They get the other accrued 50% when they pick up their stock, or sell it to someone else.)

However, the federal courts may end the trustee setup sooner if: (1) two thirds of the stock has already been picked up, and (2) the courts are satisfied that no group holds a controlling interest in both companies.

• **Directors**—To make sure of this, the plan provides that a majority of directors of the theater company have no previous connection with Paramount management.

The original board of directors of the film company can come from the present management. But all replacements to the movie company board must be outsiders—until the board has a majority of new people. All nominees for theater-company directorships, and replacements for the film company's board, must be approved by the Justice Dept. and the courts.

• **R-K-O. Plan**—The blueprints worked out for R-K-O. are quite different. R-K-O. shareholders get a share in each new company for every share of present stock. Howard Hughes is the only stockholder required to get rid of his stock in one of the companies.

Why the difference in the government's treatment of Paramount and R-K-O.? The government seems to have followed this reasoning: Hughes' stock in the R-K-O. theater company will probably be bought as a unit, since it represents control of the company. That means Hughes wouldn't figure in the new management.

But although no Paramount stockholder owns as much as 1% of the stock, the Justice Dept. may feel that a combination of present stockholders could dominate both companies. That seems to be why it wants to divide present stockholders into one company or the other, and bring in new directors.

• **Balaban & Katz**—Barney Balaban, who will become head of the new Paramount film company, has been in the industry since its infancy. He started out with a cold storage company. But in 1908, when he was 21, he got into the theater business. Here his refrigerator training led to an innovation: In 1917 he built what is said to be the first air-cooled theater.

In the meantime, Balaban teamed

up with Sam Katz to form the Balaban & Katz theater chain. Katz was an old-timer in the business, too: He began playing piano in a Chicago theater at 13, and at 16 owned his own house. Soon Balaban & Katz were famous for their lavish midwestern film cathedrals—of which the Chicago Theater (cost: \$5-million) was an early example.

• **Leonard Goldenson**—In 1926, B. & K. sold a two-thirds interest to Paramount for \$13-million. Balaban became a leading Paramount stockholder. Ten years later, Balaban became president.

Leonard Goldenson, 43, who is now Paramount vice-president in charge of theaters, is slated to head the new Paramount theater company. Goldenson joined Paramount in 1933 as an attorney, took charge of the theater department in 1938.

FINANCE BRIEFS

Texas may have to find new sources of revenue: The state's cuts in oil production (BW—Feb. 5 '49, p. 26) will probably take a \$20-million nick out of tax revenues this year.

Lustron has borrowed another \$7-million from RFC. That brings the prefabrication manufacturer's RFC loans up to \$32.5-million (BW—Oct. 10 '48, p. 42).

Savings-bank deposits averaged \$976.29 per individual depositor at the end of 1948, vs. \$970.98 at mid-1948, \$967.87 at the end of 1947. The New York State average rose from \$1,124.33 to \$1,140.56 during 1948.

Operating revenues of Class I railroads came to about \$730.7-million in January, some \$20-million less than in January, 1948. Reasons: slackened activity in many business lines, bad winter weather in the West. Profits were about \$14-million for the month, vs. \$19-million a year earlier.

Higher gasoline taxes—1¢ or 2¢ a gal. more—are before legislators in 23 states. Only four states have suggestions to lower present gas levies.

Merger of the Philadelphia and Baltimore stock exchanges (BW—Dec. 4 '48, p. 97) has taken effect. All trading is done on the floor of the Philadelphia exchange; Baltimore members keep in touch via phone and teletype.

Farnsworth stockholder group is now investigating "full facts and financial circumstances" surrounding the proposed sale of the television and radio company to I.T. & T. (BW—Feb. 19 '49, p. 97). Farnsworth stockholders will vote on it Apr. 19.

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THE MARKETS

What Industry Pays for Raw Materials

	1948-49				% Decline from High
METALS	Prewar	High	Low	Now	
Steel scrap (ton).....	\$13.875	\$41.750	\$33.500	\$33.500	19.8
Copper (lb.) .....	.105	.235	.215	.235	....
Lead (lb.) .....	.051	.215	.150	.180	16.3
Zinc (lb.) .....	.048	.175	.105	.175	....
Tin (lb.) .....	.481	1.030	.940	1.030	....
FIBERS					
Cotton (lb.) .....	.087	.386	.307	.326	15.6
Wool tops (lb.) .....	.855	2.015	1.530	1.585	21.3
Silk (lb.)	2.585	2.700	2.600	2.700	....
Print cloth (yd.) .....	.047	.282	.146	.146	48.2
Burlap (yd.) .....	.057	.224	.164	.166	25.9
MISCELLANEOUS					
Cocoa beans (lb.) .....	.044	.462	.170	.185	60.0
Flaxseed (bu.)	1.520	7.100	6.000	6.000	15.5
Hides (lb.) .....	.105	.325	.232	.248	23.7
Rubber (lb.) .....	.168	.250	.179	.191	23.6
Tallow (lb.) .....	.043	.278	.072	.075	73.0

Commodity Drop Cuts Costs

Metal shortages are fading away in their turn. The break in metal prices began with steel scrap. Lead followed; zinc may be next. Buyers are ordering from hand to mouth.

The current weakness in metals prices means far more than just a chance for some industries to save a bit on materials costs. It marks the end of the post-war shortages and the price inflation in raw materials.

Inflation kept going in metals some time after most other commodities had reached the turning point. With only a few exceptions, other raw materials already show sharp drops in prices (table).

• **Steel Scrap First**—The break in metals started with steel scrap. Usually that is a barometer of the steel trade. But at

first the current situation was regarded as an exception: The open winter in the East aided scrap collection; mills had good supplies of iron ore, and the Great Lakes hauling season would open unusually early; good scrap shipments were coming in from Germany.

But then lead came down 2¢ a lb. (BW—Mar. 12 '49, p. 9). That was the first price cut on a major nonferrous metal. The cut had been expected—yet it headed off new orders in most of the other nonferrous markets.

• **Hand to Mouth**—Then steel scrap tumbled further. And, to start this week, lead was cut another 1½¢ a lb.; it came down to 18¢—against its recent high of 21½¢.

That did it. Any metal buyers who had been on the fence decided to use up the metals they had on hand and to limit inventory losses by hand-to-mouth reordering.

The trade is now looking for an early drop in zinc prices. And custom smelters have cut their buying price for scrap copper, indicating that they expect the price of refined metal to come down, though perhaps not right away.

• **Copper**—Shortages in metals have been lessening for some time. Take

Security Price Averages

	This Week	Week Ago	Month Ago	Year Ago
Stocks				
Industrial	147.5	146.5	143.9	135.3
Railroad	39.7	39.8	40.0	41.1
Utility	70.5	70.2	68.9	65.5
Bonds				
Industrial	97.0	97.1	97.1	94.3
Railroad	83.0	84.8	86.1	82.0
Utility	95.7	95.2	94.9	96.2

Data: Standard & Poor's Corp.

copper: No real rush for supplies developed even when Kennecott's huge Bingham pit was shut down by a strike (BW—Nov. 13 '48, p109). That cost about 60,000 tons of copper. Even yet, output isn't back up to normal.

But the market for copper is no more than steady, with demand quiet. A few months ago, users of copper were taking deliveries of about 120,000 tons a month, on the average, and clamoring for more. Deliveries late last year fell to 110,000 tons. Then, in January and February, the figure fell below 100,000 tons. Still no scramble developed.

From this, the metal trade deduces that companies have had more comfortable inventories than they let on.

• **Other Materials**—Outside the metals markets, shortages disappeared some time ago. And the prices show it.

About the biggest break so far has been in tallow—down 73% from its high. Another big drop has been in print cloth.

But raw material prices are still a long, long way above their prewar levels. Even with some of the air let out, most of today's prices are two or three times what they were in August, 1939.

Strength in Bonds Is No Bull Market

Corporate bonds (except for some of the lower-grade rails) have generally acted much better on the exchanges than most stocks since the election.

But don't be misled. There is no bull market in bonds. There has been nothing spectacular about the recent price rise (table, below). It has been more of a creeping advance than anything else. And, so far, most of the recoveries from recent lows have been moderate.

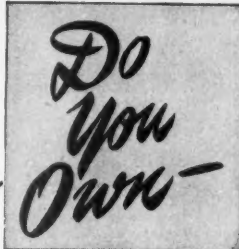
The tempo of trading in the bond market hasn't been encourag-

ing, either. Activity in recent weeks has been at the lowest point in several decades. This is causing more and more uneasiness among dealers and commission houses.

There are dark spots in the new-issues picture, too. Dealer shelves are filling up again with unsold portions of recent offerings. True, much of this "float" represents what's left of the current flood of new rail equipment-trust issues. But several recent low-yield utility offerings, Wall Street admits, haven't done too well.

Moody Rating	Bond Issue	Offering Price and Year Sold†	1946-49 Range High†	1946-49 Range Low†	Recent Price†	Gain from Low
AA	Amer. Tel. & Tel. 2½s, 1986,....	100.85 (1946)	100.37	85.00	91.75	+ 7.9
AAA	Atch., Top., & S. Fe. 4s, 1995,....	*	141.00	115.25	125.50	+ 8.9
A	Bethlehem Steel 3s, 1979,....	100.50 (1949)	...	...	101.12	+ 0.6**
AAA	Boston Edison 2½s, 1970,....	*	108.75	98.12	101.75	+ 3.7
BAA	B'klyn Union Gas 2½s, 1976,....	103.00 (1946)	103.25	84.50	94.00	+11.2
AAA	Chesapeake & Ohio 4½s, 1992,....	*	151.37	119.50	126.75	+ 6.1
A	Chic., Bur. & Quincy 2½s, 1970	100.80 (1945)	103.37	90.25	97.50	+ 8.0
AAA	Cincinnati G. & E. 2½s, 1975,....	101.00 (1945)	107.87	96.75	100.75	+ 4.1
AAA	Cleveland Elec. Illum. 3s, 1970,....	*	110.50	102.12	106.12	+ 3.6
AA	Consol. Edison 3s, 1979,....	102.39 (1949)	...	...	102.25	- 0.1**
AAA	Duke Power 2½s, 1979,....	101.31 (1949)	...	...	101.62	+ 0.3**
A	Great Northern 2½s, 1982,....	101.14 (1946)	100.62	82.50	88.12	+ 0.8
AA	Hackensack Water 2½s, 1976,....	105.00 (1946)	105.00	93.00	93.50	+ 0.5
A	Koppers Co. 3s, 1964,....	*	107.00	99.50	102.75	+ 3.3
AA	N. Y. Pow. & Light 2½s, 1975,....	102.50 (1945)	106.75	94.12	99.00	+ 5.2
AAA	Norfolk & Western 4s, 1995,....	*	143.00	126.50	128.25	+ 1.4
BA	Northern Pacific 4½s, 2047,....	*	110.00	78.50	80.75	+ 2.9
AA	Pacific G. & E. 3s, 1971,....	*	110.50	98.50	102.50	+ 4.1
BAA	Pennsylvania R.R. 4½s, 1984,....	*	135.50	92.00	94.50	+ 2.7
A	Reading Co. 3½s, 1995,....	101.00 (1945)	105.50	81.50	89.00	+ 9.2
AA	Shell Union Oil 2½s, 1971,....	101.50 (1946)	101.50	91.00	96.50	+ 0.0
AAA	Socony-Vacuum Oil 2½s, 1976,....	100.50 (1946)	100.50	90.25	95.75	+ 5.0
BAA	Southern Pacific 2½s, 1986,....	101.50 (1946)	102.25	80.00	86.50	+ 8.1
AAA	Southern Ry. 5s, 1994,....	*	145.00	110.00	116.00	+ 5.5
BAA	Standard Oil (N. J.) 2½s, 1971,....	98.00 (1946)	99.75	91.50	95.37	+ 4.8
A	Swift & Co. 2½s, 1972,....	100.50 (1947)	103.75	95.25	97.50	+ 2.4
BAA	Texas & New Orleans 3½s, 1990	100.00 (1946)	101.00	88.50	92.75	+ 4.8
A	Texas & Pacific 5s, 2000,....	*	152.50	118.50	122.50	+ 3.4
BAA	U. S. Rubber 2½s, 1976,....	100.50 (1946)	101.50	90.00	93.87	+ 4.2
AA	Virginian Ry. 3s, 1995,....	106.00 (1945)	113.00	92.12	98.75	+ 7.2
AA	Westinghouse Elec. 2½s, 1971,....	100.50 (1946)	103.00	96.37	98.75	+ 7.2
BAA	Wheeling Steel 3½s, 1970,....	103.00 (1945)	108.00	93.50	98.25	+ 5.1
AA	Wisconsin Elec. 2½s, 1976,....	101.50 (1946)	102.50	93.00	96.62	+ 3.9

†All prices given are % of par. *Outstanding before 1945. **Change from offering price.



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Armour & Co	Paramount Pict
Atch Top & S F	Pennsylvania R R
Bank of Amer NTSA	Pepsi-Cola
Canadian Pacific	Pub Serv El & Gas
Celanese Corp	Radio Corp
Chase Natl Bank	Sears Roebuck
Ches & Ohio	Sinclair Oil
Chrysler Corp	Socony Vacuum
Cities Service	Southern Pacific
Colgate-Palm-Peet	Standard Brands
Commonwealth Edison	Standard Oil (Cal)
Commonwealth & Sou	Standard Oil (Ind)
Curtiss-Wright	Standard Oil (NJ)
duPont de Nemours	Texas Company
Electric Bd & Sh	Union Carbide
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Wildcat Strikes Revived

Spurt of unauthorized strikes in Detroit points to trouble ahead. But so far 1949 isn't so bad as past years. Management seeks to settle disputes without resorting to Taft-Hartley.

Wildcat strikes, an old management headache, were back in the news this week. For Detroit employers it may turn out to be another strife-filled spring—although the Taft-Hartley act makes a strike in violation of contract illegal.

• **The Tradition**—Apparently the seasonal factors breeding wildcats are stronger than Walter Reuther's control of his United Auto Workers. He has been trying to develop a "contract conscious" rank-and-file. Most employers credit him with sincere motives. But the rash of illegal walkouts shows that Reuther still hasn't been able to bury some old causes:

(1) Production runs on new-model components are starting. These bring arguments over line speeds and output rates.

(2) The local union election season is at hand. Factionalism and opportunism tend to come to the fore.

(3) Bargaining is about to begin on contracts and wages. Irregular work stoppages are used to put pressure on management.

It is true that—at least up to now—the number of quickie walkouts is smaller than in past seasons. This might mean that the wildcat strike is falling into disuse (BW—Jul. 17 '48, p. 102). But clearly it's still a union tactic.

• **For Peaceful Settlement**—A significant aspect of the present Detroit crop is this: Managements are disposed to do little about the strikes except try to work them out peacefully. There seem to be several reasons for this.

First, there is no disposition to rely on the punitive provisions of the Taft-Hartley act. Some managements feel that action under T-H may create more sores than it cures. Then, many automotive plants have become almost philosophical about wildcats: They expect a minimum of them to occur, mostly as a result of human equations in shop relationships.

So, instead of invoking T-H, Detroit employers who deal with the U.A.W. try to appeal to the high command of the local union. If that fails, they tackle international headquarters.

• **Close Ties**—The international union, particularly since the Reuther administration has been in power, is quick to try to clear up such problems. One good

reason: Operations in Detroit's automotive plants are closely interrelated; when one supplier stops work, other plants face a quick halt. So the locals of the other plants immediately complain.

• **Midland and Briggs**—Thus, when Midland Steel Products Co. was hit by a wildcat in early March, the walkout of some 2,400 employees made 8,700 others idle at the Dodge and De Soto divisions of Chrysler. Chrysler locals wanted a settlement, if Midland came up with one that was at all satisfactory. Of course, the Chrysler Corp. management was just as eager to see Midland operating again.

The Midland strike grew out of arguments over production rates. In protest, pickets blockaded the gates one Saturday. A few men were scheduled to work



New Under-Secretary

Michael H. Galvin, Massachusetts attorney, moved into a new office this week—that of Under-Secretary of Labor. Neither A.F.L. nor C.I.O. representatives were present when he took the oath; they said with a minimum of politeness: "conflicting engagements." Galvin's job is mostly administrative. It will gain in importance if Congress heeds Hoover commission recommendations, strengthens the Labor Dept.

that day; one of their assignments was to repair a broken press. On Monday the press was still broken, so 11 workers who operated it were sent home. Then, complaining that the 11 didn't get call-in pay, others quit work.

Later, operations started up again. But the timing disputes went on, output continued to be ragged, and Chrysler stayed closed. Company and union people at Midland put on the steam to iron out their differences.

The same week, a U.A.W. local at one of the Briggs plants quit in a rate dispute. Here the incident lasted through only one shift.

• **Ford**—Ford Motor Co. is the primary bargaining target of U.A.W. this year. But the nearest thing to a significant incident at Ford has been some sporadic yelling during lunch hour in a Rouge building early in March. And this might have been some jeering at a foreman rather than a portent of real trouble to come.

Last week two Ford workers were sent home from a cutting room at the Highland Park plant for faulty work. As a result, 11 other cutters walked out. That in itself wasn't enough to hurt operations. But then rumors of mass disciplining brought a general exodus for the rest of that one shift.

Here the local union helped get most of the men back to work. But the cutting department stayed closed while the cases of the 11 workers were argued.

• **Square D**—At Square D Co., there were similar arguments over output rate—only here the union was the United Electrical Workers (C.I.O.). One such dispute resulted in a wildcat strike. When the strike ended, the company served notice that it meant to deal firmly with such incidents: It imposed disciplinary one-day layoffs for two stewards. The local union retaliated by ordering the entire shift to quit work—while many of them did unwillingly.

A complicating factor in the Square D dispute is that U.E. will reopen its contract wage clause on Apr. 1, and has already filed a list of demands. That's often a prelude to disputes in the shops.

• **Rumors**—Meantime it's common gossip in Detroit that slowdowns have been going on. One company spokesman says: "We have no problem on them right now, but that doesn't mean there aren't any. Somewhere there is almost always an argument over rates in process. And we don't get out as much work as we schedule."

Much of Detroit takes this fatalistic attitude in sizing up its spring crop of wildcats. Eventually it expects to eliminate them almost completely. But it will be slow going. Better than any resorts to law, Detroit believes, will be union realization that unauthorized strikes will bring trouble to union members.

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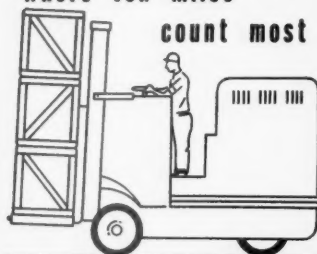
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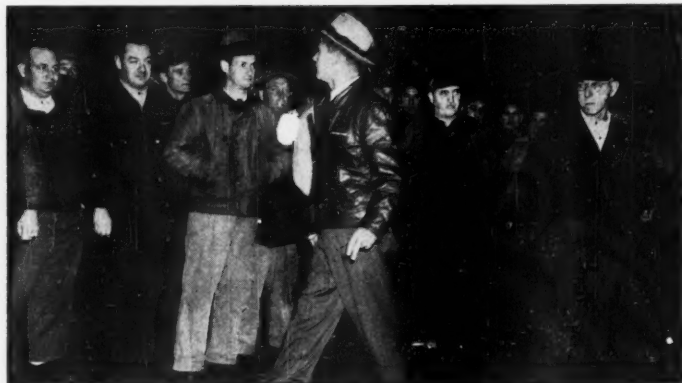


SHAPE-UP Jobseeking longshoremen have to assemble at New York docks at a set time for the daily "shape-up." They make up a hiring pool for foremen, who have just been told day's needs for gangs to load or unload ships

Two Ways to Hire Casual La



SHAPE-UP Jobseekers, waiting and hoping for a nod, form a silent semicircle as a foreman shows up. There's no competition for jobs. It's just a matter of having a union card, being on the spot, and catching the foreman's eye

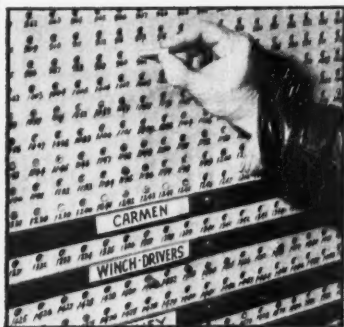


SHAPE-UP Usually, a foreman gives the whole "shape-up" the once-over before he picks his gang. He might be looking for men who have worked for him before. Or union politics, possible pay kickbacks might influence his choices



HIRING HALL Longshoremen gather at the new San Francisco hall where hiring goes on for union

Laborers



HIRING HALL They "plug in" at a job board, using identifying numbers assigned by union



HIRING HALL Jobs are assigned in rotation, using board as guide (TURN TO PAGE 110)



Many liquid industrial wastes which once contaminated public streams are now being treated in much the same manner as raw sewage is handled by municipalities.

In some instances the industrial wastes yield a valuable by-product, thus becoming an AFFLUENT EFFLUENT, but in all cases the effluent has its contaminating elements removed.

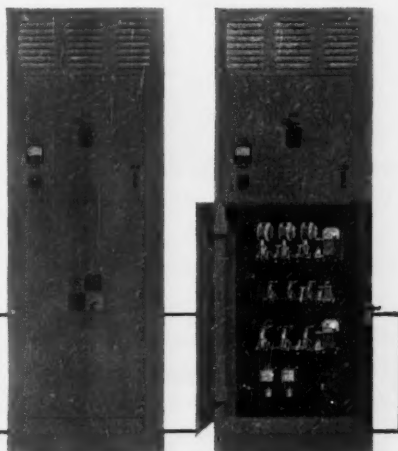
Steel Mills recover acids from pickling lines; Paper Mills recover sulphite and sulphate; Electrolytic Tinning Lines recover tin from the electrolyte; many Sewage Treatment Plants recover gas for operation of plant engines and produce valuable fertilizer.

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TWO WAYS TO HIRE (continued from page 109)



SHAPE-UP The choice is made by the foreman (light hat); in this instance, Joe Ryan (right), president of the International Longshoremen's Assn. looks on. One complaint is that "shape-up" can be used to control votes in union politics

Management's Stake in Fight Over

Intraunion disputes over whether to use the "shape-up" or hiring halls cause friction even when they don't erupt into strikes.

Dock workers returned to jobs last week after a walkout on Jersey City's busy waterfront—but the dispute that caused the strike remains a powder keg for employers there. The dispute involves the "shape-up"—a largely outmoded hiring technique still required by some union contracts in longshoring, trucking, warehousing, and a few other industries.

• **Old and New**—In many areas, the hiring hall has now replaced the shape-up. But it hasn't yet nudged the old plan out of eastern ports.

Here's how the two differ:

The shape-up requires workers who want jobs to show up at specified times and places daily. A "hiring foreman" looks over a semi-circle of jobseekers. He "calls" those he wants for his dock gang. Originally, the "hiring foreman" was a management man. Today, however, the dock or trucking "hiring foreman" is almost always a union man.

The hiring hall is also a central location where jobseekers report for assignments. The prospective worker "plugs in" when he reports to the hiring hall; that is, he reports himself available for

a certain type of work. When jobs are reported open, a "dispatcher" checks the board, assigns jobseekers to jobs—in rotation, so all have an equal chance.

Hiring halls may be operated by the union alone, or jointly by union and employers. Either way, unions generally require that only union men be used for dispatcher and other administrative jobs.

• **Jersey City Strike**—What happened in Jersey City last week is a pretty good example of how the shape-up often means headaches for an employer. The trouble started on docks operated by American Export Lines in Jersey City, just across New York Harbor from Brooklyn.

Union Stevedoring Co., of Brooklyn, does dock work for American Export lines. Its "hiring foreman" was a Brooklyn man. Opposition to him had simmered for a long time. Jersey longshoremen grumbled he always handed out jobs first to men who came over from Brooklyn; home-town men got only what was left over.

• **Walkout**—Competition for jobs has grown keener in recent weeks. So the



HIRING HALL Those chosen leave hall for docks. Next trip in, they "plug in" at bottom of list

Hiring Method

Jersey City longshoremen cracked down. They demanded employment of a Jersey City man as "hiring foreman." Union Stevedoring refused, and 300 Jersey City workers walked off their jobs.

They stayed away until the company finally agreed to install a Jersey City union member as new "hiring foreman." Result: Jersey City men now get first call on jobs.

• **Peace: For How Long?**—The settlement means peace—for a while perhaps. But employers are still worried. They can't be sure that the basic issue—the charge of favoritism at the shape-up—won't pop up again. Whenever it does, it means trouble for management.

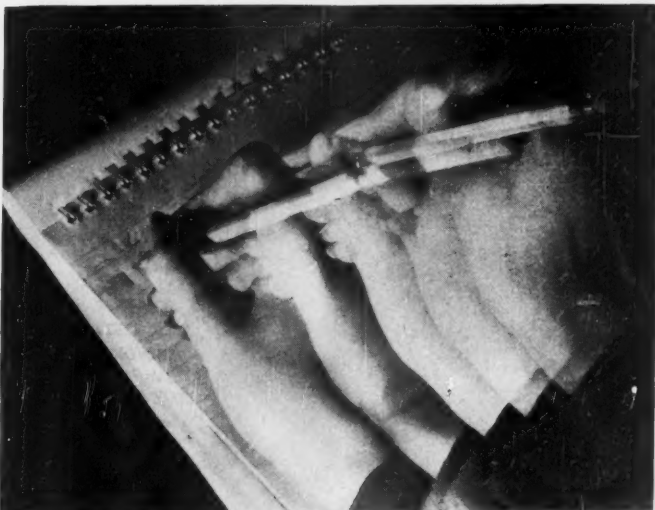
There's a growing belief that the trouble outweighs the benefits which management might have in the shape-up. Employers favored it for a long time because: (1) The shape-up is inexpensive; (2) it gives a foreman or straw boss a chance to pick the men he wants, face to face; and (3) it often gets credit for greater work efficiency (work gangs stick together—a straw boss who knows his men can "call" a group that is used to working together as a smoothly operating crew).

Actually, many employers have found that things don't work out that neatly. The man who does the hiring may not

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care two straws for efficiency—he may be more interested in jobs for friends, or for men willing to kick back part of their pay. More often than not, a shape-up brews dissatisfaction, poor efficiency, higher costs.

• **The Alternative**—Frank Foisie, president of the Waterfront Employers' Assn. of California, is generally credited with the first big break-away from longshoring shape-ups. Hiring halls are now set up in West Coast ports under contracts with the International Longshoremen's & Warehousemen's Union (C.I.O.).

Recently, a new \$60,000 hiring hall opened its doors in San Francisco. It serves about half of the 60,000 longshoremen who work the docks there. It's a joint proposition—but largely in name only. I.L.W.U. requires use of union members in all dispatcher jobs.

• **T-H-Question**—This setup was one of the big issues in last year's longshoring dispute on the West Coast. W.E.A. argued then that the union-operated hiring hall was a device for maintaining a closed-shop hiring policy—illegal under the Taft-Hartley act.

W.E.A. still thinks so. But it is making no further demands for a voice in hiring-hall operations, pending a court or National Labor Relations Board decision on the legality of the hall as it is now run.

• **In the East**—Some employers on the East Coast would like to see hiring halls, too. But most still aren't convinced they would be better off. They like an indirect say-so about who gets hired—and they claim that the hiring halls on the West Coast have helped keep a leftist union solidly in power.

Even if the employers wanted a change, they would have a hard time getting rid of the shape-up. Joe Ryan, lifetime president of the tightly-controlled International Longshoremen's Assn., is very much for the shape-up. So are most I.L.A. local officers.

Their enthusiasm is based in large measure on the "patronage" value of the system. The suggestion of "stick with us and you'll work" helps I.L.A. top men keep a firm hold on union reins. And that, in turn, enables them to choke off demands for hiring halls.

These are now coming with increasing frequency. Many I.L.A. longshoremen don't like the idea of the shape-up. Ask them why, and they'll tell you that it's the idea of having to herd together to be picked for a job. And, they continue, it is a relic of serfdom days.

• **Communist Argument**—When they say that, they are repeating—usually without knowing it—the party-line of the Communists. Left-wing foes have got recruits against Ryan with their argument. More importantly for management, they have stirred up trouble on the docks.

Wage-Hour Law

House takes up changes next week. A 65¢ minimum, or better, seems certain. Administration faces tussle over coverage.

Organized labor's first test of strength in the 81st Congress moves from committee room to floor next week. That's when the bill to raise the minimum hourly wage from 40¢ to 75¢ comes up for a vote in the House.

A Senate labor subcommittee will begin hearings soon on the same bill. Thus, it's likely that wage-hour revision will be the first labor legislation to come out of this Congress.

• **Changed Bill**—When it left the House Labor Committee, the minimum wage bill had changed a lot from the one first introduced by committee chairman John Lesinski. Still more changes are in prospect before the bill passes.

On the whole, Administration and labor spokesmen are satisfied with the bill as it goes to the House floor. Ideally, they would have liked more in it. But they don't expect to write in any additions. On the contrary, they will measure their success by how well they can keep foes from making further changes.

• **Clincher Vote**—The key vote that put the bill over by a squeaky 13-12 margin in committee was cast by the House's baby member, 27-year-old Hugo Sheridan Sims, Jr., of South Carolina. Sims split with other southern Democrats on the committee who voted against the bill. Before he went over to the Administration's side, Sims got two concessions: (1) The lawmakers knocked out a proposal to bring large-scale commercial farms under the law; and (2) Sims reserved the right to fight the 75¢ minimum on the floor. He wants to start at 65¢, work up to 75¢ in two years.

• **Real Test**—A hike in the minimum wage to at least 65¢ seems certain. Administration and labor forces face their real test in trying to extend the law's coverage to an estimated 2-million additional workers.

It's bound to be a tight squeeze; the Democrats already have had to give up some of the law to win a few necessary votes in committee. Exemptions were broadened for small weekly newspapers, taxicab companies, fishermen, and a few others.

These losses would be more than made up, however, by broadening the law's coverage. The biggest catch: All employees of an employer who produces goods for, or who is engaged in, interstate commerce. Under the present law, the test is what the worker does—not the employer.

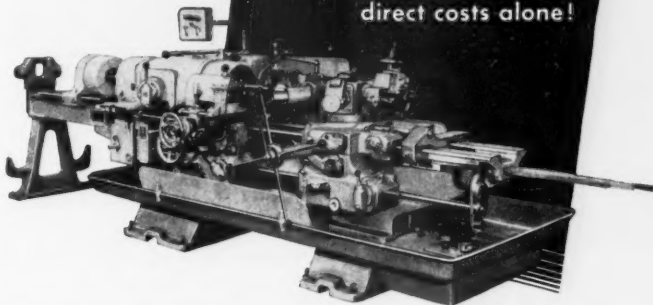
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Coal Walkout, Its Consequences

Fight against Boyd isn't the whole story. Stoppage may give Lewis more power in stabilization drive.

The nation this week faced an old, familiar situation: John L. Lewis' coal miners trooped out of the pits in all coal fields east of the Mississippi; they choked off 95% of the industry's normal production.

Only the circumstances of the stoppage made it different from the strikes of other years. This time, on the surface, there was no economic issue. A two-week limit was set for the walkout—which Lewis billed as a "memorial" for miners killed or injured last year. United Mine Workers' contracts allow union-ordered "memorials."

• **Boyd-Lewis'** order said the stoppage was a protest against the appointment of Dr. James Boyd as director of the Bureau of Mines. Lewis and other U.M.W. spokesmen have railed against Dr. Boyd ever since his name came up for the job. More than once, they have hinted at a strike if President Truman insisted on the appointment. But it's almost a sure thing that opposition to Boyd is only a part of the reason for the "memorial."

Lewis often uses round-about tactics to gain his economic ends. Strategically, the two-week protest fits neatly into his pattern for 1949.

• **Stabilization**—Lewis' big goal this year is stabilization of miners' jobs so that some won't be working full shifts while others go idle (BW—Feb. 5 '49, p. 86). He wants that even more than higher wages; more than the 20¢-a-ton welfare-fund royalty that will be on U.M.W.'s bargaining list when contract talks begin.

The coal industry turned sluggish this year. An abnormally warm winter in the East, coupled with slumping coal exports, have led to big stockpiles.

About 70-million tons of coal are reported in above-ground reserves now. Prices weakened because of the oversupply (BW—Mar. 12 '49, p. 21).

Against this background of growing instability, Lewis ordered the "memorial" stoppage. By it, the union thinks it can (1) cut stockpiled coal by about 22-million tons; (2) possibly stir coal orders from consumers who are worried about getting caught by a prolonged stoppage; and (3) bolster sagging coal prices.

• **Reserves**—Many small operators won't be bothered too much by the stoppage. But the bigger producers, particularly the steel "captive" mines, will be hard hit. They have been working five-day and six-day weeks to keep up with demand. The two-week layoff will cut a big hunk out of their reserves.

But more important, perhaps, is the longer-range effect of the stoppage on coal reserves.

Remember there's another 10-day layoff coming up in July when miners leave the pits for their annual \$100 paid vacations. That will cost something like 15-million more tons.

If 1949 coal contract terms aren't set by then (talks now appear likely to start in May) Lewis' position will be strong. He'll then be able to talk in terms of stabilization via a 35-hour week rather than by "memorial" layoffs.

The coal stoppage is just about as big a worry for other unions as for industry. C.I.O. complains that it stems from "actions of one misguided individual." A.F.L. isn't any more complimentary. Reason: Both fear the effect a stoppage will have on labor's slow-moving drive against the Taft-Hartley law.

Loyalty Clause

Consolidated Edison and union write one into new contract. Applicants will have to say whether they're Communists.

How can you be sure Communists aren't holding down key jobs in your plant? It's an important question: Strategically placed Communists could easily jam up your production if party policy dictated it.

The federal government defends itself by loyalty checks on employees. It has also stepped in, where possible, to bar Communist-line unions in atomic-energy plants (BW—Oct. 9 '48, p100), and to screen workers hired by contractors doing secret work for the government. But, so far, the government doesn't have any say-so about jobholders in private employment, no matter how vital. That's a policing job for management.

• **Edison's Plan**—Last week, Consolidated Edison Co. of New York worked out a plan to safeguard its important New York City public-utility network. It got, as part of its 1949 union contract, a clause that makes job applicants tell whether they are members of the Communist Party or of "any subversive" organization affiliated with it. Consolidated Edison wanted the clause to guard against interference with its services during a national emergency.

The company's present 30,000 workers won't have to answer any questions about their affiliations. However, they will have to tell the company at once if they join a "subversive" organization later on.

• **No Job Bar**—The security clause doesn't bar applicants who admit they are members of any group listed as "subversive" by the Dept. of Justice. The contract specifies that the loyalty question will be asked "for information purposes only, without any penalty provisions." Negotiators had to be content with that when they found out it might be illegal to refuse to hire a job applicant on account of his political beliefs.

The checkup will still serve its purpose, even if applicants with subversive connections get on the payroll. The company said it would be guided by answers to its security questions when it makes job assignments. Obviously, it wouldn't put an applicant with subversive affiliations in a spot where he could hamstring production.

The company believes the clause, as is, will discourage applicants who can't say their slate is clean.

If they withhold information, or give false answers, then company and union

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agree there's a legal basis for job refusal, or discharge.

• **A Right-Wing Union**—Consolidated Edison isn't too much concerned that it can't check on the present affiliations of employees. Here's why: The C.I.O. utility union is firmly in labor's anti-Communist camp; since 1946, its constitution has barred membership to Communists or workers affiliated with any subversive organizations. Recently, Consolidated Edison agreed to include a union-shop clause in its 1949 contract; workers have to be union members to stay on the job.

While this isn't much of an anti-Communist weapon now (under Taft-Hartley, a union-shop employee can't be fired for any reason other than non-payment of union dues) it might be in the future. Unions are busily campaigning to get back the right, under federal law, to limit membership as they see fit.

LABOR BRIEFS

No pay hikes now for C.I.O. electrical workers at Thomas A. Edison, Inc.—that's what a new contract provides. But the union can reopen on wages after four months. The company agrees to bargain on its pension plan "to the extent that the law may require."

Philip Murray will be back on the job as C.I.O. president in the next few weeks. Aides say he has "virtually recovered" from his recent illness and operation.

Wage demands in the Philadelphia building trades range from 10¢ an hour more (for painters) to 37½¢ (for electricians). Meeting them, complains the Home Builders Assn., would mean a \$400 increase in the cost of the average home.

Royalties on production have paid off, according to an American Federation of Musicians (A.F.L.) report. The union plans to spend \$1.4-million—about one year's welfare-fund receipts—for concerts in 1949. Aim is to give jobs to unemployed musicians, make friends for Petrillo.

The Pictures—Acme—23 (top), 72, 109, 111; Ewing Galloway—108 (top, cen.); Harris and Ewing—21, 106; Int. News—108 (bot.), 121; Standard Oil (N. J.)—Libsohn—60 (left), Roskam—62, Rotkin—58 (top), Webb—58 (bot.), 60 (right); Wide World—19 (bot.), 110, 114.

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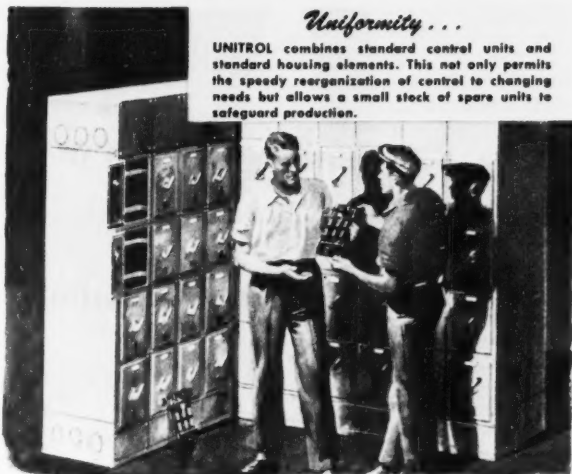
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INTERNATIONAL OUTLOOK

BUSINESS WEEK

MARCH 19, 1949



The State Dept. thinks it may have found somebody to support in China.
Gen. Ho Ying-chin—the new Nationalist premier—is the straw State is grasping at.

Ho was once Chiang Kai-shek's chief of staff, then his defense minister. But he favored making peace with the Communists. His appointment as premier could mean that Chiang is out for good now. (Since his so-called retirement, Chiang has been pulling government strings from Fenghua, hoping for a comeback.)

Ho has a lot of influence in Nationalist military circles. Through him, State thinks president Li Tsung-jen may be able to knit together the Kuomintang into a new government.

The State Dept. looks to two other Nationalists to play a big role:

- (1) Hsueh Yueh, who governs Kwantung province, from Canton;
- (2) Pai Chung-psi boss of Kwangsi province, who ruled southern China with Li for many years.

But U. S. observers in China don't expect any responsible central government for years.

They think the most likely future for Nationalist China—if there is any—is still a group of war-lord states. Not even the Communists, they say, seem ready to go beyond setting up local or regional authorities. That's nothing new. In all its history China has never been really unified.

U. S. businessmen in China are champing at the bit to make contacts in Communist China.

They figure that the longer they wait, the farther ahead the British will get. So they would like Washington to do something to ease the anti-U. S. feeling in China.

As for any specific policy, they agree with Secretary of State Acheson that the only thing to do is "wait until the dust settles."

New Soviet purges highlight the weaknesses of the Russian economy.

Most important head to roll this week was that of Nikolai Voznesensky, head of the Soviet State Planning Commission.

Voznesensky was the architect of the latest Five Year Plan. He was probably guilty of monumental inefficiency. Under him Soviet industry has been burning out its bearings. Stepping up military production has worn down plant equipment. Basic industries as well as consumer goods industries have been neglected (BW-Feb. 12'49, p101).

At that, Stalin apparently hasn't been getting all the war production he wants. This year's Soviet budget calls for a 20% increase in military expenditures.

The British cabinet can't decide whether inflation or depression is the big threat of 1949. Thanks to the dispute, Britons were able to tear up their clothing coupons this week after eight years of rationing.

Socialist Aneurin Bevan, Minister of Health, leads the depression-minded group. He thinks recent signs of a drop in consumer demand signal a depression.

Sir Stafford Cripps—and most economists inside and outside the government—still think inflation is the No. 1 bogey. Cripps is plugging for

INTERNATIONAL OUTLOOK (Continued)

BUSINESS WEEK
MARCH 19, 1949

another heavy budget surplus this year. He still wants to keep the lid on home consumption, release output for exports and new investments.

A government White Paper, out this week, forecasts Britain's over-all trade deficit for the first half of 1949 as £15-million.

To keep it there, exports will have to run at 7% over 1948 rate, or 150% of the 1938 rate. The paper says new capital investment in 1949 might hit £1.76-billion. But uncertainties are likely to hold this to 1948's £1.64-billion.

Britain's offer to talk trade again with Russia may be a feeler to test the shift in Moscow's high command.

Again this year, Britain wants barley, corn, timber, and possibly some wheat and canned fish from Russia. Last year the British had to pay through the nose for these goods. With the fall in world farm prices, Britain's bargaining position is stronger now.

But there won't be any deal unless the Russians stop demanding fixed delivery dates with penalties for defaults. These terms have tripped Soviet efforts to buy capital goods both in Britain and Sweden.

The Russians delivered \$170-million worth of goods under last year's Anglo-Soviet food-for-machinery pact. But the Russians made only token purchases of British capital goods with the money. The rest went for raw materials from the sterling area.

The French government is trying to prop up the French farmer after the recent break in farm prices (page 121). Freight rates for farm goods have been slashed 35%.

The recession hasn't had much effect on industrial prices yet. But it has spurred France's flagging export drive.

This week trade pacts were signed with Brazil and Dutch-controlled Indonesia. The Brazilians will get 90 French locomotives and an oil refinery. Price: about \$14-million. The Indonesians will get about \$5-million worth of French textiles, cars, machine tools, crockery.

You will be able to sell more cotton and rayon textiles in Canada within a few months. But you will face higher duty rates.

To save dollars, Canada has been giving British manufacturers a favored position in the Canadian market. In November, 1947, duties were taken off British imports, quotas put on U. S. imports.

British manufacturers haven't been able to take advantage of a good thing. Their prices have been too high. So Canada will be forced to expand quotas on U. S. textiles.

At the same time, duties will be put back on British goods, raised on U. S. goods. Under the Geneva agreement, when duties on British imports were dropped in 1947, those on U. S. imports had to be lowered correspondingly. Now they will go back to where they were.

Yugoslavia has accepted a bid to the Toronto International Trade Fair (May 30 to June 10). Canada made the offer with the tacit blessing of the U. S.

It's no secret that Tito is anxious to get his hands on Western goods—especially metal-working machinery, canned meat, crude rubber. He'll offer textiles, nonferrous metals, building materials, and chemicals.

BUSINESS ABROAD



FRENCH FINANCE MINISTER Maurice Petsche has made real progress in . . .

Stabilizing the French Economy

The Third Force's middle-of-the-road policies have lowered prices, improved the position of the franc. Even so, the government still may stub its toe on political issues.

PARIS—A perfume shop on one of the main boulevards was the biggest attraction in Paris last week. Gaping crowds gathered in front of show window, blocked traffic along the sidewalk. The window sported a big red, white, and blue placard announcing a sacrifice sale at 50% off.

French businessmen and politicians rubbed their eyes, too, for inflation, which has been bleeding France to death ever since the war, seems to have vanished overnight. There are even signs that it may be gone for good—to the relief of everyone except a few upset businessmen who think there's a depression in the offing.

• **Third Force Victory**—Economists in Henri Queuille's Third Force government are beaming happily. Signs of deflation mean that their economic program is finally making headway. Optimistically, the Third Force has adopted "Stability in 1949" as the rallying cry for elections to be held this week and next in half of France's cantons.

Broadest grin of all wreaths the jovial face of Maurice Petsche, France's Finance Minister. He is perhaps most responsible for pulling deflation out of the hat. Last week Petsche added up the

government's take from its 5% national loan (BW—Jan. 29/49, p84). The loan netted the government 180-billion francs in "new money"—enough to put France's budget in balance for a while.

• **No Tax Boosts**—The loan was more than a financial success: It was a clean victory for middle-of-the-road economic policies. French socialists and even some ECA experts prophesied that the loan would fail. They pressed for tax boosts instead. The success of the loan does away with the need for new taxes.

The loan, however, isn't a permanent brake on inflation. The proceeds will be pumped right back into circulation through state investment projects. If stability does come to France in 1949, good crops, sustained production, and ECA dollars will be largely responsible.

• **Stockpiles**—France's 1948 harvest was actually skimpier than prewar averages. But stockpiles held over from 1947 bumper crops, fattened further by huge imports under ECA, more than made up the slack. Industrial production has been at prewar levels in France for more than a year now. Inflated prices kept most of the output at home.

The Third Force government has better than a 50-50 chance of turning its

initial good work into genuine economic stability. A lot depends on whether Finance Minister Petsche will be able to keep the economic screws on.

• **Plans**—Here's what may happen if Petsche has his way:

(1) There would be two new multi-billion-franc loans.

(2) The government would crack down harder on tax evaders. The Finance Ministry has been dismayed to find that only one out of four owners of U.S. cars in France is on the tax list, that only 6,000 people in all France owned up to making more than a million francs (about \$25,000) last year.

(3) The government would impose a limit on its own deficit financing. Petsche would have it lower the ceiling on the amount it can borrow from the Bank of France to 175-billion francs; present law permits the government to borrow 200-billion to finance its economic programs.

(4) The job of weeding out excess personnel from the civil service and nationalized industries would be carried to completion. In the last few months some 86,000 civil servants and 52,000 employees of nationalized industry have been fired.

Petsche also intends to keep a tight rein on wages and credit for the time being.

• **Farm Prices**—Third Force confidence started up when farm prices started down at the turn of the year. Domestic farm prices have slumped 50% to 60% from 1948 highs. Highly alarmed, the French National Farmers Assn. has called on farmers to hold a nationwide buyers' strike during the last 10 days of March. Individual farmers are way ahead of the association. There have been wholesale cancellations of fertilizer and farm machinery orders for several weeks now. The farmers want either a comparable slash in industrial prices, or a satisfactory price-support program from the government.

The break in farm prices knocked down France's wholesale price index 6.8%. Industrial prices wavered, and then nosed down slightly. Retail indexes dropped an average of 5.3%.

• **Money Markets**—On the money market, the reaction was even more spectacular. The dollar dropped from a high of 550 to around 400 francs. In terms of other foreign currencies, the franc stiffened an average of 20%.

There are some signs deflation might get out of hand. In Paris, the Bourse dropped. Three hundred French stocks dropped an average of 9% in February, 12.3% during the first 10 days of March. Foreign shares—reflecting the strengthening of the franc—dropped about 20% during the same period.

Unemployment stands at nearly 100,000. That is double last year's figure, a postwar record for manpower-short

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France. An estimated 300 small businesses closed down in February.

• **Politics**—It's hardly likely that a depression is in the offing. There are still more francs in circulation than there are goods to buy. Even with ECA imports, officials estimate that there are about 400-billion inflationary francs at large in France.

There is no such insurance that Third Force plants won't founder once more on the shoals of French politics. The government still has to work between the threatening jaws of the Communist-Gaullist pincers. Another political crisis would be bound to bring on another wave of inflation.

• **Elections**—On the eve of this week's cantonal elections, however, the betting was that the Third Force would about hold its own. The election is important but not critical. Only half of the cantons in France will vote. And the Seine Department, including Paris, is not one of them.

Worst fear is that civil war will break out again within the Third Force after the elections. During last week's debate on Indo-China, there were signs that Socialist and Radical (right wing) members of the Third Force were keeping their pre-election unity only with great difficulty. Questions such as reform in the nationalized industries, tax

collections, or subsidies for religious schools might well set them to squabbling again.

• **Will It Hold?**—It's hard to see how the miscellaneous group of Socialists and economic middle-of-the-roaders that make up the Third Force can stay together for long. But French stability depends on it. If Third Force leaders can carry their program through, and police it thoroughly, they may be able to hold the price line—even force prices down further in some sectors. Prospects have never been brighter since the war.

And if the prices stay down, French exports may begin to climb at last. The external problem—how to whittle down France's trade deficit—is hardly less urgent to the Third Force government than the internal problem.

• **Foreign Trade**—France covered only 61% of all its imports with exports in January. The showing on its trade with the dollar area was worse still: It covered only 8.5% of its imports. That is the worst monthly balance sheet for French exports to the dollar area since 1947.

France depends on the outside world for a third of its coal, and for practically all its gasoline, cotton, wool, copper, rare metals, fats. If ECA closed shop, the French standard of living would be chopped in half.



Big Coal Hoist for British Mine

This is part of a 390,000-ton coal hoist being shipped out of New Orleans to Liverpool. Britain's National Coal Board bought it under ECA for a mine in England's northwestern coal belt. Hardie-Tynes Mfg. Co., Birmingham, Ala., built the hoist—as well as six others that were never completed.

Russia placed the orders during the war, but the War Assets Administration wound up with them. Cost of the whole lot: about \$3-million. The French government has bought the six uncompleted hoists, hopes to make the missing parts in France. These hoists will be shipped in a month or so.

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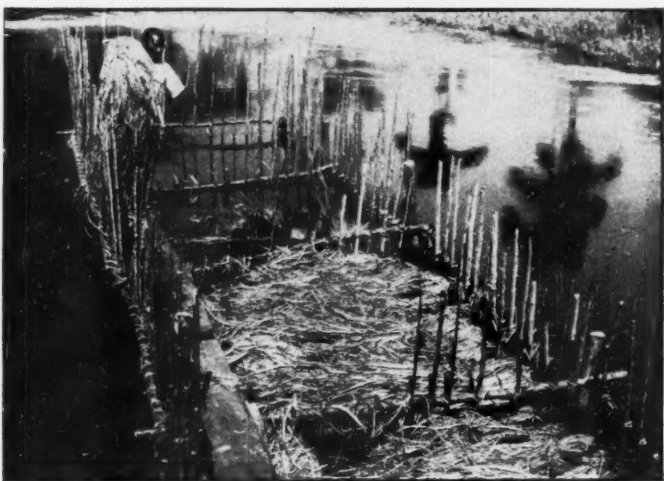
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MODERN MACHINES harvest experimental plantings of Cuban kenaf which may eventually be used for fiber bags, specialty paper, boat caulking. Processing is done by . . .



OLD HAND METHODS. This project, carried on by two U. S. technicians, is one of many Agriculture Dept. has under way. It may be . . .

Model for World Development

Cuba and U.S. both stand to benefit if kenaf works as jute substitute. Project is one of 300 development plans.

Cubans may be the first to get an inkling of how President Truman's world-development plan will work in its early stages.

Each year Cuban sugar manufacturers pay a \$20-million bill for imports of jute from India to make their sugar bags. Now, thanks to a couple of technical brains from the U. S. Dept. of Agriculture and a helping hand from U.S. industry, Cuba may be able to grow a

good substitute for the jute it imports.

• **Kenaf**—The plant, called kenaf, is nothing new. It has been growing in India for ages. But nobody yet has perfected it as a fiber, nor has it ever been grown before in the Western Hemisphere.

Two USDA technicians, backed by the Cuban government, have been working on kenaf since 1941. Last year, the Soft Fibre Manufacturers Institute was

called in to take some of the first harvest for experimental purposes. Four of the institute's members are now trying out kenaf for various sizes of yarn for bagging.

Someday, the U.S. may get just as much out of the kenaf project as the Cubans. If the fiber experiments pan out, industry will have a new source of fiber—a lot closer to home than India or the Philippines. Agriculture is very optimistic over other uses for kenaf—twine, specialty papers, boat caulking. Kenaf is cheap, too; it costs only 4¢ a lb. to produce.

• **Other Projects**—The Cuban kenaf project is only one of 300 research and development projects that the Agriculture Dept. has under way throughout the world. Some are designed primarily to provide the U.S. with a better supply of scarce materials. Others aim at balancing the economies of nations that today bank on one product for the bulk of their revenue. All of them bring U.S. technical knowledge into areas that sorely need it.

USDA technicians work on a range of products—rubber, quinine, kenaf and henequin (for fiber), rotenone (for insecticides), tea, coca leaf (for cocaine), lumber, bananas, citrus fruits, coffee, vegetable oils, and many others. In general, the projects break down into three classes:

Research. The U.S. lends technicians, equipment, and, perhaps, funds for the research and development of new farm products. Sometimes Agriculture pushes the project on its own initiative. Other times, the foreign country asks for Agriculture's help. Kenaf is the result of one of these projects.

Agricultural Centers. Miniature agricultural departments, partially staffed by U.S. technicians, are often set up in foreign countries. They tackle a variety of local problems, sometimes train native personnel to take over in a few years.

Seven USDA technicians run such a center in Tingo Maria, Peru, a backwoods area in the upper Amazon basin that the Peruvian government wants to colonize. Specialists in most of the agricultural sciences have been to Tingo Maria at one time or another since 1942. They have run tests on a long list of products, including tea and livestock.

Other agricultural centers have been set up in Peru, Bolivia, Ecuador, Salvador, Guatemala, and Nicaragua.

Surveys. Foreign countries often ask for USDA technicians to survey their agricultural potential. Teams have gone to 10 Latin American countries plus China, the Philippines, Iraq, Saudi Arabia, Syria, Lebanon, Egypt, and Greece.

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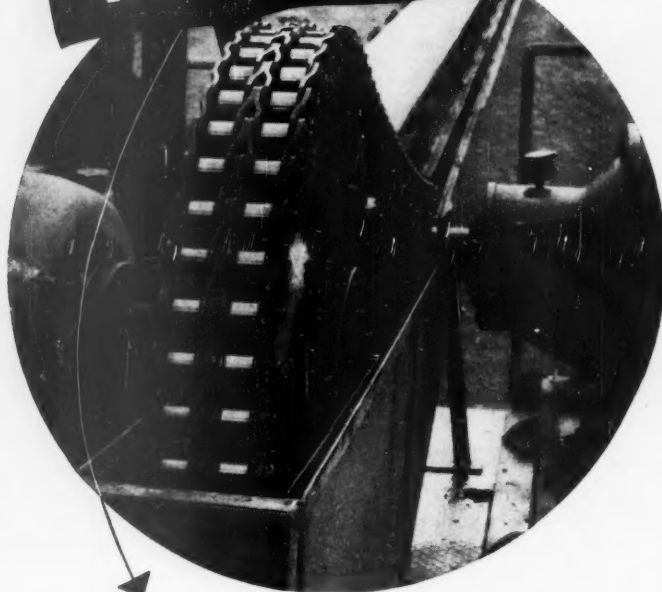


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DRIVE AND CONVEYOR CHAINS

Agriculture's technicians work hand in hand with the State Dept.'s Institute of Inter-American Affairs (BW—Feb. 5'49, p101). In joint projects, State Dept. men usually see to it that Agriculture's research is put to work.

BUSINESS ABROAD BRIEFS

Republic Drill & Tool is engineering a twist-drill plant at Amersfoort, the Netherlands. Dutch and Belgian money is behind it. This is the first such U. S. Benelux deal to get under way.

Distillation Products has been named sales agent for LKB Produkter Fabrik-saktiebolag, Swedish manufacturer of precision scientific equipment.

Argentina has bought 100 basic trainers for its air force from a British Company, Percival Aircraft, Ltd. Cost: \$4-million. F.A.M.A., Argentina's commercial-airlines trust, has confirmed an earlier \$2.5-million order for five Consolidated-Vultee Convoirs.

India has scaled down the plans for its gasoline-from-coal plant (BW—Jul. 31 '48, p80). The output target is now 100,000 tons of gasoline a year; it was a million. Koppers is engineering the job, expects to start construction this month.

Kellogg Co. of Battle Creek, Mich., plans a \$400,000 South African plant at Springs, a suburb of Johannesburg. It will use U. S. machinery, employ local workers almost exclusively. Kellogg hopes the plant will meet the needs of the entire South African market for its cereal products.

Indian jute industry will spend \$270,000 this year, mostly in the U. S., to boost sales. J. Walter Thompson made a survey of the U. S. market for the Indian Jute Mills Assn., reported back that: (1) jute prices are too high; (2) bag substitutes are getting more popular (page 24).

Masonite Africa, Ltd., is now turning out pressed-wood-fiber hardboard and insulation board at its new plant in Estcourt, Natal. Masonite Corp. owns one-third of the company's common stock; British and South African interests, the rest.

Cuba's new ambassador to the U. S., Dr. Oscar Gans, has a job cut out for him: to get FCA to buy more Cuban sugar and molasses for industrial alcohol. Dr. Gans formerly was ambassador to Argentina.

ECA'S LEDGER

Congress named a committee last week to find out what is a fair price to pay for Middle East oil. ECA has been paying U.S. market rates, and independent U.S. oil producers have been complaining loudly about it (BW-Feb. 26/49, p131).

• **New-Found Surplus**—Middle East oil output jumped 30% in the closing months of 1948. In effect, this has created a world surplus of oil. The independents accused the big Middle East operators of dumping their excess oil (above what ECA takes) on the U.S. market.

ECA has been tangling with this question behind the scenes for some time. Actually, few people deny that prices paid by ECA for Middle East oil are high. But the picture is complicated by different pricing systems used throughout the world, and so-called "traditional practices" whereby some countries get preferential treatment.

• **Members**—The new committee will try to speed a solution of this problem. Its members are: Dr. Edward S. Mason, dean of Harvard's School of Business Administration; Summer Pike, Atomic Energy Commissioner; Dr. George W. Stocking, professor of economics, Vanderbilt University, Nashville, Tenn.; L. S. Wescoat, president, Pure Oil Co., Chicago; and Max Ball, a Washington (D. C.) oil and gas consultant.

Other Developments

Steel. The Commerce Dept. plans to allot 161,870 tons of U.S. steel to ECA countries between May and September. Norway will get more than a third of it, to start up its shipbuilding industry. Shortage of steel has virtually closed down all of Norway's shipyards. The State Dept. originally asked for 300,000 tons for Norway. (State was then offering some bait to get Norway into the North Atlantic Pact.) But steel men said they couldn't spare all that.

Productivity. The first of 50 British productivity teams arrived this week for a six-week tour of U.S. industry. The team consisted of 15 steel foundrymen. Last week a 12-man Swedish team arrived; so did three Italian trade-union leaders.

Economics. Besides helping western European recovery, ECA is also propping up Worcester, Mass. That's the opinion of John J. Calvin of the U.S. Customs Service office in Worcester. Calvin said his entire stock of ECA export certification forms, first issued in January, had been gobbled up already. That, thought Calvin, meant ECA was bolstering Worcester manufacturers' flagging export trade.

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Business Week—March 19, 1949

Keep the Curb on Labor Monopoly

Will we license labor relations that leave one party free to act on a "public-be-damned" policy? Or is the public to be protected against work stoppages that can paralyze the nation?

Those questions need answering. They must be answered by the law-makers in Washington as a new labor law is written.

On this page, one month ago, *BUSINESS WEEK* laid down four minimum requirements for any federal labor relations statute based upon collective bargaining as a national policy (BW—Feb. 19'49, p124). If collective bargaining is made mandatory, then employers, employees, and the public must be safeguarded against collective bargaining when it runs amuck.

Put briefly, the four safeguards that we deem indispensable are: (1) protection against national emergency strikes that can bring disaster to the community; (2) regulation of the closed shop so that employees cannot be deprived of their individual liberties; (3) withholding of government support from Communist elements that work in the labor unions; and (4) protection against the undermining of management efficiency, by keeping foremen securely on the management team.

Above Argument

We would be hard put to say which of these four is most important, or to rank them in any order of importance. All together they are the very minimum required to keep collective bargaining from turning down a path of destruction. Nevertheless, one of these safeguards would seem to require no explanation or argument: the one that would protect the flow of those vital goods and services upon which all the people are desperately dependent.

Take this week's "memorial stoppage" in the coal fields (page 114). It is an act of one man's will. It has pleased John L. Lewis to decree that there be a strike which will shut bituminous mines east of the Mississippi and keep them shut for two weeks. Is there any protection available to prevent Lewis' will from throttling our coal supplies until our transportation system has ground to a halt and our cities are in darkness? Yes. It is contained in the national emergency section of the Taft-Hartley law. That provision is an elementary act of self-preservation. That the survival of our society requires some curb for use when men like Lewis go too far, seems to be above debate.

And that is why the Washington reports of compromises now being negotiated by the senators who are working on a new labor bill are most alarming. The injunction process, by which the Taft-Hartley act asserts the public interest in national emergency strikes, is, of course, distasteful to organized labor. That distaste has been strongly emphasized by labor's leaders. The result? In the bill that the Senate Republicans will offer

as an alternative to the Administration's revived Wagner act, there may be no injunction provision.

If these reports are true, the public interest is being wantonly sacrificed. On the theory that (1) the misuse of the injunction power in the past has discredited the process, or that (2) injunctions are no final answer to national emergency strikes, Lewis may well be licensed to carry his caprice beyond the limits of public safety.

It is true that the injunctive process was at one time subject to judicial abuse. And it is true also that the injunction is no definitive means for dealing with the huge accumulation of private power commanded by a man like Lewis. But there is not before Congress any alternative proposal for blowing a whistle when a labor union commits a foul. Until the legislative branch of government is ready to go to the root of labor monopoly, the injunction is the only safeguard that stands between our people and strike-inflicted economic strangulation. And the Taft-Hartley act has demonstrated that the injunction can be kept free from judicial abuse.

Injunction Proved Effective

While the Administration forces are working so intently to kill off the Taft-Hartley national emergency provision, it is worth while to recall its use within the last year. But first remember that this section was bitterly assailed by President Truman in his veto message of June 20, 1947. The powers this section conferred upon him, however, were to be used at his discretion. Despite the President's strong political interest in proving that this section of the law was, at the very least, misconceived, he used it on seven occasions. He found that it was the only instrument he could employ to deal with important labor disputes.

And it worked. In five vital industries (atomic power, meat-packing, coal mining, shipping, and telephones) the emergency provision of the Taft-Hartley law made an important contribution toward keeping a labor dispute from disrupting essential production and commerce. Bulwarked by Judge Goldsborough's notable decision in an earlier case that involved Lewis (BW—Apr. 24'48, p110), the law has met a searching constitutional test. In several other cases the residue of unused authority that the statute gave the President was sufficient to deter strikers from trampling the public interest while pursuing their objective. Meanwhile no claim that anyone has been harmed or deprived of constitutional rights has been sustained by the courts or by public opinion.

Now, it is reported, even a group of Republican senators are willing to meet the Administration's demand that this provision be sacrificed. Their purpose presumably is to find a middle ground on which a bipartisan majority can stand. But, if the Congress is not even given an opportunity to vote on this grave issue, compromise will have become abdication.



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